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**Stability and Change in South African Public Policy:
1994-2014.**

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PhD in African Studies

University of Edinburgh

2018

Declaration

I certify that this thesis hereby presented for the degree of Doctor of Philosophy at the University of Edinburgh has been composed by myself, and is my own work, and has not been submitted for any other degree or professional qualification at any other institution.

Mabutho Shangase



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Abstract

This thesis narrates the exercise of state autonomy to achieve macro-economic stability and effect incremental policy change in South Africa between 1994 and 2014. Employing a composite case study of the macro-economic policy framework; the Growth Employment and Redistribution (GEAR) (1996) strategy, and two micro policies, Free Basic Electricity (FBE) (2003) and No Fee Schools (NFS) (2006), it demonstrates how the post-apartheid state introduced reforms at macro and micro policy levels. Taking a historical institutionalist approach, it emphasizes the importance of ideas, context, configurations, temporal arguments and path-dependence to recount a story of policy change.

The main sources of evidence comprise semi-structured elite interviews conducted with senior politicians, public servants, trade unionists and academic researchers as well as secondary data such as Hansard, government documents and other research reports. Data collection in South Africa was undertaken over a period of twelve months across various sites such as state departments, parliament, the South African Reserve Bank, university libraries, municipalities, private companies, parastatals and schools in the Gauteng Province.

The context of transition from apartheid to a democratic dispensation, 1990-1994, with the negotiation processes forms a backdrop to the study whereby compromises and important policy choices set the scene for the formulation of new policy infrastructure culminating in GEAR in 1996. The implementation of GEAR in 1996 and the achievement of macro-economic stability in turn prepared the ground for intervention at micro policy level. Consequently the introduction of incremental policy change through micro policies such as FBE (2003) and NFS (2006) became possible. Importantly this thesis reveals that whilst incremental policy change has been achievable, it is not totally transformative but rather built upon policy legacies as it proffers gradual adjustments which do not reverse earlier policy decisions and compromises nor effect fundamental change. Nevertheless, even in a difficult international and domestic environment, the South African state has shown a capacity to initiate and sustain incremental change in key areas of public policy.

A Dedication

This thesis is dedicated to my mother, **Ntombazanyana Busisiwe Shangase** (1945-04-15 to 2011-12-10), I know you are staring down at me, I never cease to feel your love, my spirit is gratified, a great thanks to you.

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List of Abbreviations

AEC	Atomic Energy Corporation
AIDS	Acquired Immune Deficiency Syndrome
ANC	African National Congress
ANNSSF	Amended National Norms and Standards for School Funding
ARS	Abductive Research Strategy
ASGISA	Accelerated and Shared Growth Initiative of South Africa
BEE	Black Economic Empowerment
BEST	Basic Electricity Support Tariff
BSAC	British South Africa Company
CEO	Chief Executive Officer
CAS	Centre of African Studies
CEPD	Centre for Education Policy Development
CODESA	Convention for a Democratic South Africa
COGTA	Department of Cooperative Governance and Traditional Affairs
COSAS	Congress of South African Students
COSATU	Congress of South African Trade Unions
DORA	Division of Revenue Act
DA	Democratic Alliance

DBE	Department of Basic Education
DDG	Deputy Director General
DED	Department of Economic Development
DEC	Department of Education and Culture
DEP	Department of Economic Planning (ANC)
DET	Department of Education and Training
DOE	Department of Education
DoE	Department of Energy
DoF	Department of Finance
DOH	Department of Health
DHET	Department of Higher Education and Training
DME	Department of Minerals and Energy
DPLG	Department of Provincial and Local Government
DPW	Department of Public Works
DTI	Department of Trade and Industry
DWAF	Department of Water Affairs and Forestry
DBSA	Development Bank of Southern Africa
ECS	Education Co-ordination Service
ECB	Electricity Control Board
EBSST	Electricity Basic Service Support Tariff

EDRC	Energy and Development Research Centre
EED	Energy and Electricity Division
EFF	Economic Freedom Fighters
Eskom	Electricity Supply Commission
ECB	Electricity Control Board
ESP	Expanded Social Package
FFC	Finance and Fiscal Commission
FBAE	Free Basic Alternative Energy
FBE	Free Basic Electricity
FBS	Free Basic Services
GATT	General Agreement on Trade and Tariffs
GHS	General Household Survey
GDP	Gross Domestic Product
GEAR	Growth, Employment and Redistribution Strategy
GNU	Government of National Unity
HIV	Human Immunodeficiency Virus
IDT	Independent Development Trust
IFP	Inkatha Freedom Party
ISP	Integrated Strategy Project
IGAP	International Growth Advisory Panel

IGD	Institute for Global Dialogue
LPG	Liquefied Petroleum Gas
LSM	Living Standard Measure
LGNF	Local Government Negotiating Forum
MBA	Master of Business Administration
MTEF	Medium Term Expenditure Framework
MEC	Member of the Executive Committee (Provincial Government)
MEC	Minerals-Energy Complex
MERG	Macro Economic Research Group
MISTRA	Mapungubwe Institute of Strategic Reflections
MP	Member of Parliament
NA	National Assembly
NCOP	National Council of Provinces
NDP	National Development Plan
NEC	National Executive Committee
NEDLAC	National Economic, Development and Labour Council
NEPI	National Education Policy Initiative
NEF	National Electrification Forum
NEP	National Electrification Programme
NERSA	National Energy Regulator of South Africa

NGC	National General Council
NNSSF	National Norms and Standards for School Funding
NP	National Party
NPC	National Planning Commission
NT	National Treasury
NGP	New Growth Path
NFS	No Fee Schools
NYC	National Youth Commission
PCAS	Policy Coordination and Advisory Service
PEDs	Provincial Education Departments
PGDSA	Policy Guidelines for a Democratic South Africa
PICC	Presidential Infrastructure Coordinating Committee
PMG	Parliamentary Monitoring Group
POA	Programme of Action
RDP	Reconstruction and Development Programme
RTG	Ready to Govern
RSA	Republic of South Africa
SACP	South African Communist Party
SADTU	South African Democratic Teachers Union
SALGA	South African Local Government Association

SANEDI	South African Energy Development Institute
SAPs	Structural Adjustment Programmes
SARB	South African Reserve Bank
SARS	South African Revenue Services
SASA	South African Schools Act (Act No. 84 of 1996)
SASCO	South African Students Congress
SGB	School Governing Body
SGT	Self-Governing Territories
STLM	Steve Tshwete Local Municipality
TBVC	Transkei, Bophuthatswana, Venda and Ciskei
TINA	There Is No Alternative
TMALI	Thabo Mbeki African Leadership Institute
TRC	Truth and Reconciliation Commission
UCT	University of Cape Town
UKZN	University of KwaZulu-Natal
UNESCO	United Nations Educational, Scientific and Cultural Organisation
USAID	United States Agency for International Development
USSR	Union of Soviet Socialist Republics
VFPC	Victoria Falls Power Company
WEF	World Economic Forum

WTO World Trade Organisation

Chapter 1 Introduction

1.1 Introduction and Overview

Contrary to dominant accounts on the performance and positioning of the post-apartheid state, the African National Congress (ANC) led government has over the last two decades demonstrated considerable functional capacity to formulate and implement policy in its quest for change. The post-apartheid state has indeed confirmed significant autonomy from societal forces such as organised labour and capital in its execution of state action. Despite lack of fundamental social and economic transformation, the post-apartheid state has managed to achieve macro-economic stability as well as notable incremental socio-economic change.

It has been argued elsewhere that state bureaucrats have a potential to exercise considerable, but relative and constrained autonomy from the demands of dominant classes, civil society and other pluralist interests (Block, 1980; Skocpol, 1985; Abrams, 1988; Dougherty, 1988; Hall, 1993; Hay, 1999; Ianoni, 2013). State autonomy refers to bureaucratic cohesiveness as a component of state capacity and this enables the state to act independently of and against demands of non-state interests as it pursues collective goals (Evans, 1995; Polidano, 1998). The location of the state bureaucracy within a democratic polity as well as its inclusion in a capitalist economy renders this autonomy relative and circumscribed (Poulantzas, 1972; Hamilton, 1982; Skocpol, 1985; Dougherty, 1988; Hay, 1999). The question of state autonomy critically probes about ways in which the state within a capitalist society can independently take charge and initiate significant policy change, the extent of that capacity, as well as the circumstances under which such state action is possible away from the interference of the dominant classes and other societal stresses (Hamilton, 1981). Furthermore, a confirmation has been made of the existence of a central principle of state theory that is apparently pursued by actors within the state as they champion national goals without being sternly challenged by external pressures that arise from society (Sacks, 1980, cited in Hall, 1993).

This thesis explains policy change as a function of what has been herein conceived as ‘conjunctural state autonomy’. The latter has resulted in macro-economic stability and incremental policy change as viewed through policy adjustments or orders of change (Hall, 1993). Inspired by the works of Hall (1993) and others, this thesis broadly departs from the historical institutionalist tradition in political science.

Whilst some analysts simply focus solely on episodes of history and short-term developments in isolation, historical institutionalists concentrate on high level structures and this includes critical junctures and long-term processes (Pierson and Skocpol, 2002). In this approach to research, historical institutionalists highlight and interrogate important factors as they seek to explain broader contexts and interrelating processes that configure politics, states and processes of policy formulation ¹ (Pierson and Skocpol, *ibid.*). According to Hall (1992) historical institutionalists, *inter alia*, foreground the role played by institutions as rules that govern political life but also focus on other big questions that have an impact on political outcomes. The ways, in which political outcomes are shaped by ideas, institutions, and interests, are important and it is the latter variables that concern institutional analysts (Hall, 1992).

The conception of ‘conjunctural state autonomy’ as presented in this thesis is important for understanding how a configuration of factors unfolding through various temporal structures could enhance or constrain the exercise of relative state autonomy which hinges on the aptitude and capacity of the state in its efforts to effect policy change. The state derives its relative autonomy from the distinctiveness of the bureaucracy, which is not a social class but rather a special category, and not from the notion that the political sphere is to some extent independent of the economic one (Poulantzas, 1972; Skocpol, 1985; Bresser-Pereira, 1995). Unlike the bourgeoisie and the working class who influence the state from the outside, public officials operate from within the state, civil servants and the military constitute state bureaucracy (Poulantzas, 1972; Skocpol, 1985; Bresser-Pereira, 1995; Hay, 1999; Ianoni, 2013).

¹ Pierson and Skocpol (2002) point out that historical-institutionalist thought in political science is today characterised by at least three features namely; attending to big substantive questions, paying attention to temporality, as well as having an analysis that is focused on macro causes and contexts, configurations of variables, and their effects on institutions and large scale processes, instead of isolating individual processes at a given time.

Conjunctural state autonomy is herein defined as a configuration that comprises three elements, namely; the historical context, a professional bureaucracy as well as the prevailing monetarist paradigm or framework of ideas. The attainment of macro-economic stability, incremental policy change and institutional reforms is situated within the context of transition and the introduction of a democratic dispensation between 1990 and 1994.

Consequently the exercise of conjunctural state autonomy continues within this historical trajectory into 2014 and beyond. The idea of conjunctural state autonomy is useful for understanding that going forward South African policy decisions and political outcomes in particular will be characterized by configurations based on 'path-dependence, inertia, or lock-ins'(Pollack, 2008). Therefore entrenched historical institutions are likely to remain extant and in balance for long periods (Pollack, 2008). These arrangements would continue notwithstanding the rapid and fluid political change which may appear to be of significance (Pollack, 2008).

The National Treasury and the Reserve Bank have respectively been identified as being at the epicentre of macro-economic policy formulation and both have a direct and indirect impact on the rest of the public policy infrastructure. This thesis positions the macro-economic policy, Growth, Employment and Redistribution (GEAR) Strategy (1996) at the centre of the policy making process and consequently relative state autonomy is exercised largely at micro policy level to effect incremental forms of policy change as demonstrated through the Free Basic Electricity (FBE) (2003) and No Fee Schools (NFS) (2006) policies. It is through the conception of conjunctural state autonomy that this thesis reveals that historically it has been the National Treasury and the Reserve Bank that have been at the heart of state autonomy. As such the autonomy of the Reserve Bank in particular has continuously been guaranteed via legislation since its establishment in 1923. Whilst all organs of the state are important, ultimately the relative autonomy of the state shall arguably be tested regularly through the independence of the National Treasury and the Reserve Bank.

This thesis introduces the concept of 'conjunctural state autonomy' in South Africa as a new *type* and contribution to the study and typology of state autonomy in different settings.

This thesis therefore complements the broader literature on state autonomy in a similar fashion to the concepts of ‘embedded autonomy’ in developmental states such as South Korea (see Evans, 1995) and ‘bounded autonomy’ in China (see Yang and Zhao, 2014). Consequently concepts should be understood as having a hierarchical structure or what is called a ladder of abstraction and this notion allows for the usage of concepts in varying situations such as in conducting comparison (Collier, *et al.*, 2008). Systematizing concept formation is critical in political science (Collier, *et al.*, 2008).

It is important to pay attention to concepts since they serve a critical function of being data repositories as well as enablers for navigating semantic fields within which research is conceived and for framing conceptual meanings and inquiry in general (Satori, 1984 cited in Collier *et al.*, 2008).

The conception of conjunctural state autonomy in-and-of-itself, according to this thesis, points to the importance of *conjunctures* and *relative state autonomy* which lie at its core. Firstly Pierson (2000) identified two forms of sequencing arguments, one focusing on ‘event sequences’, the other on issues of simultaneity or ‘conjunctures’. Conjunctures refer to the inadvertent convergence of normally separated realms (Pierson, 2000). Historical conjunctures also mean that outcomes can be affected by the interaction effects amongst processes occurring simultaneously (Thelen, 2000). Secondly it has been established that relative autonomy is derived out of unique political constraints and processes of state form and functions which impute significance to its character against broader societal forces (Jessop, 2001). For South Africa, the coalescence of the exercise of relative state autonomy with favourable conjunctural circumstances produced incremental policy change (Wilsford, 1994).

The concept of conjunctural state autonomy thus intrinsically underscores the combination of *conjunctures* and *relative state autonomy*. Most crucially, the exercise of relative state autonomy becomes contingent on the configuration constituted of the three distinctive factors of historical context, prevailing monetarist paradigm and professional bureaucracy.

Conjunctural state autonomy is thus a compound concept comprised of the exercise of relative state autonomy through the configuration of the three aforementioned factors over a period of time. One major achievement of conjunctural state autonomy as a *type* is its contribution to the overarching-concept and typology of state autonomy. For the study of state autonomy, this thesis thus proffers a new type that is meant to serve as an important concept in the categorisation of cases (Collier, *et al.*, 2008). Concept formation however should not be misconstrued to imply that theoretical dimensions of a concept are more important than its empirical aspects (Sartori, 1970). Conjunctural state autonomy is subsequently well supported conceptually and empirically by the composite case study of public policy comprised of both macro and micro policy interventions. The conception of conjunctural state autonomy aptly illustrates that within the social sciences concepts act as both data repositories as well as components of a theoretical system (Sartori, 1970).

The idea of conjunctural state autonomy is significant for understanding and predicting South African public policy and politics going forward. Through the coinage of conjunctural state autonomy this thesis argues that the exercise of relative state autonomy, which includes particularly the state's capacity to formulate its own policy goals outwith of societal interests such as capital and organised labour, is structurally mediated (Block, 1980; Skocpol, 1985; Klyza, 1992; Hay, 1999). The emergence and exercise of conjunctural state autonomy are therefore contingent on time and space factors hence the identification of the three elements of historical context, professional bureaucracy and prevailing framework of ideas.

The exercise of relative state autonomy within this configuration is thus time and context specific; its applicability is subject to the concurrent availability of the three core elements that comprise conjunctural state autonomy. Arguing from a historical institutionalist perspective, this thesis typically focuses on causes at macro-political and economic levels as well as on the attendant institutional arrangements (Amenta and Ramsey, 2010). Policy change is herein understood as a form of causality that has multiple sources, where path-dependence and time-order or sequencing of events becomes critical (Amenta and Ramsey, *ibid.*).

Firstly, the dominant paradigm or the prevailing framework of ideas i.e. monetarism, is worth highlighting as the principal and instrumental factor in this configuration of conjunctural state autonomy. To be rigorous on the remit of the central bank, theoretically monetarism pertains to the commitment made to the regulation of money within the capitalist system with the aim of maintaining stability and certainty (Friedman 1968, cited in Fourcade-Gourinchas and Babb, 2002). Overtime monetary policy has grown to entail important features such as achieving low-taxation, maintaining a free-market, as well as the critical element of neoliberal ideology which prioritises inflation targeting (Pemberton, 2009).

The end of the Cold War after 1989 eliminated the ideological presence of the Soviet Union and its accompanying material support to the ANC as a liberation organisation, as such the ANC warmed-up to economic orthodoxy and had ideas such as nationalisation rightly discarded (Taylor, 2001; Habib, 2013). Due to a commitment to and acceptance of the monetarist paradigm by the ANC during transition, there was neither further questioning of this framework of ideas nor a search for alternatives once the organisation was in power (This is in spite of heavy criticism of ANC policies as neoliberal after 1994). Instead the ANC government focused on building a democratic state with a mixed capitalist economy, formulating GEAR policy, and thus attaining macro-economic stability and introducing reforms at all levels of government. Since paradigm change is an ideational process, the generation of alternatives takes time, and the current neoliberal paradigm is likely to be in force for a long period. The foremost theme that emerges from this thesis is adherence to the prevailing monetarist paradigm. Since policy change is a function of a cognitive struggle, dislodging the hegemonic paradigm and finding alternatives become an arduous and elusive process (Jordan and Greenaway, 1998).

The second factor, the historical context, exposes decisions and compromises that were made during transition; it demonstrates that the exercise of conjunctural state autonomy is highly path-dependent as it will be revealed within this thesis as it tabulates the sequencing of a number of historical decisions and institutional factors that become difficult to reverse. Context becomes instrumental in structuring policy choices (Baert and da Silva, 2010).

The element of historical context in the configuration should be understood as firstly and fundamentally referring to a critical juncture and period of transition, 1989-1994; the end of the Cold War; the Convention for a Democratic South Africa (CODESA) peace talks; the resulting negotiated settlement as well as the democratic dispensation that was introduced.

It is critical to note that at the heart of historical institutionalism is high regard for context and temporality and their different mechanisms (Steinmo, 2008; Baert and da Silva, 2010; Nexon, 2012). The extent and contours of political change are largely moulded by temporality (Broschek, 2008). In order to explain patterns of continuity and change, historically comparative analysis that is sensitive to nuanced context and temporal dimensions becomes very important (Immergut and Anderson, 2008). Subsequently more focus should be cast on causal tools of political processes, including context, embeddedness, and temporality (Nexon, 2012).

Within a socio-political context, the choice of formal and informal institutions is largely determined by the moment-in-time at which political action occurs (Annett, 2010). The main argument of historical institutionalism is that what is important in the interpretation of macro and micro level processes into political outcomes is the particularistic nature of institutions within a historical context and their entrenched temporal dimensions (Nexon, 2012). Accordingly it is within a historical context that political events occur and this affects decision-making and actions in a direct manner (Steinmo, 2008). Institutional analysis also points out that actors and their agenda operate within a precise historical setting and thus political interests are never privileged with a blank canvass within which to act (Jackson, 2009).

For the NFS policy, its formulation is largely determined by education reforms undertaken by the National Party (NP) government during its last term in government and the subsequent compromises that the ANC government yielded to on education resourcing whilst the creation of the state monopoly Eskom before 1994 was integral to the later formulation of the FBE policy.

Change at micro-policy level is thus characterised by path-dependent incrementalism that is built upon previous policy decisions without much disruption. The theme of path-dependent incrementalism as introduced by this thesis is best positioned to explain post-apartheid policy reforms.

The third factor, professional bureaucracy, especially at the National Treasury and the Reserve Bank, is equally potent as personnel within these institutions tend to be highly trained (especially as economists), and are retained over long periods of time and also circulated between the two institutions. Further evidence of the existence of a professional bureaucracy is accordingly documented within the departments of Education and Energy responsible for the micro policies NFS and FBE respectively. In the Weberian abstraction of a 'bureaucracy' as an ideal type for performing governance, at least three elements were identified namely; formal rules, specified policy, and a rationally efficient procedure (Hilbert, 1987). In line with this definition of a standard model of bureaucracy is the notion of 'a method of rational organization, a system of administrative efficiency, and the purest form of the rational/legal authority system' (Lega and DePietro, 2005). Embedded within this classical model of a bureaucracy is a basic principle of attempting to maintain rationality against potential effects arising from personal behaviours of technocrats (Lega and DePietro, *ibid.*). Even though the notion of a 'professional bureaucracy' is a critical element of the configuration of conjunctural state autonomy it warrants further scrutiny.

This thesis reveals that from the accounts of government and political elites, bureaucratic professionalism could be construed as an assumed identity utilised to justify narratives of decision-making. This professional bureaucracy identity comes with the power and authority to present elite narratives as objective, constructed by technocrats and informed by research and official documents. On the other hand these narrative justifications render alternative viewpoints invisible as confirmed by the silence of numerous critical voices such as social movements that have been active in South Africa since the dawn of democracy. Dissenting views are summarily dismissed as irrational and unrealistic and preferred policy positions are justified as informed by knowledgeability of the demands of governing.

Notwithstanding the narrative justifications of elite informants, the acknowledgement of memories of individuals involved in processes such as policy formulation remains important and these experiences should be made social (Saikia, 2004). Without this acknowledgement, extreme and outlying experiences of decision-making would become unthinkable and therefore unknowable (Saikia, 2004).

It is through observing the configuration of conjunctural state autonomy in operation that this thesis has been able to extricate themes from the composite case study. Conjunctural state autonomy is largely path-dependent and conforms to the prevailing monetarist paradigm in its generation of stability and incremental policy change. Conjunctural state autonomy could thus also be construed as a 'structure-induced equilibrium' that regulates which of the trajectories is allowable and which ones are rejected as it structures the selection of both policy choices and actors in the decision-making process (Pollack, 2008). In this sense policy choices become incremental and layered over existing policy decisions whilst certain agents are excluded from the decision-making process. Consequently this thesis demonstrates the successes of conjunctural state autonomy through the achievement of macro-economic stability whilst introducing incremental types of change within three policy areas, namely, macro-economic policy, energy and education where the policies GEAR, NFS and FBE are respectively presented.

This thesis illuminates that incremental change might appear insignificant but is capable of introducing new policy interventions especially at micro policy level and this occurs against the backdrop of macro-economic stability. Whilst revolutionary change is often demanded, it could be costly and is at most times unrealistic.

In light of current narratives on state capture that have inhabited the South African political discourse, the litmus test for the capture of the state should therefore be the departure from the preservation of relative state autonomy. The independence of especially the National Treasury and the Reserve Bank from internal individuals as well as external party political and corporate interests shall be the major area of contention and testing of relative state autonomy.

This independence of apex state institutions would additionally and more importantly be measured by the degree to which these institutions, more than others, maintain relative state autonomy. Nevertheless the importance of provincial and local government spheres remains and these institutions should also be subject to scrutiny.

Whilst the narrative of state capture has gained traction since the removal of the Minister of Finance Nhlanhla Nene in December 2015, the continuous exercise of relative state autonomy that obtains in key state institutions resulting in policy and institutional reforms after 1994 has received little or no analysis. As this thesis situates conjunctural state autonomy at the centre of macro-economic stability and incremental policy change over two decades, the notion of state capture should be regarded as an antithesis to relative state autonomy. State capture has been defined as the unlawful and clandestine provision of personal repayments to state bureaucrats that in return results in the ability to influence the formulation of public policies and laws, and this is done by both public and private sector interests which aim to profit from those undertakings (World Bank, 2000).

Subsequently it could be argued that the position of state capture resides at the opposite end of the spectrum to relative state autonomy and is a higher level and sophisticated form of corruption. It has been asserted that state capture should not be perceived as mere flagrant corruption but rather as essentially arising through distinctive network structures that are formed within state institutions by fractions of corrupt actors (Fazekas and Toth, 2014)

Moreover, this thesis insists that there is a distinction between state capture and instrumental neo-Marxist claims that dominant class interests assume control of the state for use as a tool for achieving their shared economic and political objectives (Albo and Jenson, 1989). It can be contended that a captured state whether by internal or external interests directly refutes the idea of an open society (Open Society Foundations, 2014).

Accordingly, in direct opposite to conjunctural state autonomy, state capture is systemic and arises out of the erosion of autonomy-enhancing conditions and the depletion of structural potentials that guarantee the sustenance of relative state autonomy (Skocpol, 1985; Nordlinger *et al.*, 1988).

Although this thesis focuses on conjunctural state autonomy, it further contends that following the capture of the state for the fulfilment of non-state objectives, relative state autonomy would either diminish or totally cease to exist. Furthermore, it has been established that whilst the focus of state capture in South Africa has been limited to corporate capture particularly with a foreign element and concentrated on institutions at national level, at least two modes of state capture have been noted, namely; party state capture and corporate state capture² (Innes, 2013). For South Africa trade unions could arguably be regarded as potentially the third mode of state capture. Its bears mentioning that as conjunctural state autonomy obtains from three elements i.e. context, a professional bureaucracy and the prevailing monetarist paradigm, the pernicious influences that constitute state capture would most likely target the element of the professional bureaucracy within this configuration.

The context within which conjunctural state autonomy is exercised is subject to time-order and sequencing of historical events. Within the configuration of conjunctural state autonomy the predominant monetarist paradigm is predicated on a framework of ideas, a highly specialised economic subject that takes time to challenge with alternative ideas. Thus it is difficult to challenge the prevailing paradigm without a formidable set of new economic ideas. The component of state bureaucracy within conjunctural state autonomy is relatively more susceptible to influence and being compromised. Once the element of the professional bureaucracy has been penetrated by forces of state capture, the configuration that constitutes conjunctural state autonomy would be weakened and the state's relative autonomy would have been endangered.

² Therefore, as a way of achieving a political monopoly, in the case of party state capture, political party elements re-politicise state institutions (Innes, 2013). Within the corporate form of state capture, private interests exercise their influence for private gain and thus appropriate conduits of political influence are overthrown or simply undermined (Innes, 2013). Moreover, whilst in South Africa more attention has been paid at national level; other studies have traced cases of state capture at municipal level investigating the acquisition of goods and services (Innes, *ibid.*).

This thesis is an attempt to present an alternative interpretation of South African public policy drawing from elite narratives and secondary accounts as opposed to a binary of radical change and non-change, illustrating that South Africa operates within a middle space whereby the introduction of incremental change has been possible. Acting within constraints, the post-apartheid government has certainly exercised its own brand of autonomy to effect gradual policy adjustments. Whereas dominant critique has demanded rupture from the prevailing monetarist paradigm and the global economy, this thesis demonstrates the shortcomings of these exceptionalist calls by providing an alternate view on the exercise of relative autonomy. It is herein argued that the exercise of conjunctural state autonomy has been moderate, constrained as well as time-bound.

In its explication of conjunctural state autonomy, this thesis provides narratives of lived experiences in policy formulation and a case-study-based analysis of efforts by the post-apartheid South African state to exercise its autonomy to bring about policy change. Situated opposite dominant narratives that explain post-apartheid public policy and the record of the ANC in government in terms of non-change and adverse continuities, this thesis exposes the employment of significant relative state autonomy. Through these narrative justifications of stability and policy change, this thesis explains change, firstly, at macro-economic policy level through the GEAR strategy (1996), and secondly, at micro policy level via the cases of FBE (2003) and NFS (2006) in South Africa after 1994. This thesis confirms the notion that whilst the state is not entirely independent when it comes to the economy, it is certainly relatively autonomous when faced with societal interests such as capital and organised labour (Poulantzas, 1971, cited in Ianoni, 2013).

Relative state autonomy indicates that state bureaucracy is able to adhere to its own ideological position and establish support to pursue policies of their own choice that bring about major change with little or no regard for the prominent and dominant political and economic interests (Geddes, 1990). It is due to this ability to deliver on autonomous action that states derive their important position as actors (Skocpol, 1985). Whilst state autonomy is important, historical institutionalist arguments maintain that state action and policy choices cannot be viewed as context-free (Baert and da Silva, 2010).

The concept of state autonomy is centred on the notion that the state is established and acts with the aim of achieving interests and goals that are independent from the demands of the pluralist societal fractions or Marxist classes (Klyza, 1992). Accordingly, statist scholars underscore the ability of state bureaucracy to assert their authority against non-state actors whether the latter actors as social forces either resist or allow them the latitude to do so, as well as the abilities of state bureaucracy embedded within specialised infrastructural power of the modern state which allow them to control, manage and discipline society (Jessop, 2001). However, state autonomy is not an absolute phenomenon and for that reason its limitations have been noted.

Nevertheless, in order to formulate and implement policy objectives a significant amount of autonomy is required (Rueschemeyer and Evans, 1985, cited in DeCanio, 2000). The constraints to state autonomy have been articulated within Marxist literature through the formulation of the conception of relative state autonomy which has become critical in acknowledging the autonomy of the state whilst also highlighting the limitations of the capitalist class in subjecting the state to its control (Block, 1980). Non-Marxist state theory has meanwhile encouraged an approach that moves beyond the determinism which is inherent in the concept of relative state autonomy by abandoning this formulation and concentrating instead on the restrictions within the capacity of the state (Gordon, 1989). Capacities of the state have been defined as the potential of the state to formulate and execute its policy goals against resistance from powerful societal interests as well as under challenging economic conditions (Skocpol, 1982).

This thesis puts relative autonomy at the centre of state action in its understanding of policy formulation within the post-apartheid state; it demonstrates that the state has functional capacity to design policy and accordingly deploy requisite resources. It is hereby argued that the South African democratic state after 1994 has been able to exercise its own brand of relative autonomy which has been characterised by maintenance of a resolute stance at macro-economic policy level since the advent of the GEAR strategy in 1996, whilst simultaneously effecting incremental change at micro policy level resulting in interventions such as FBE and NFS.

It is the contention of this thesis that the post-apartheid state's form of relative autonomy is marked by a high degree of discretion on the part of state bureaucrats. State bureaucrats at the centre of state action have enjoyed authority in decision-making, identifying policy goals, policy instruments, as well as institutional arrangements that they deem fitting to resolve policy problems and effect policy change. Therefore state autonomy has been largely dependent on a configuration of at least three important factors, namely; ideas, context and a professional bureaucracy. Through the configuration of conjunctural state autonomy, this thesis moves farther whilst it still concurs with neo-Marxists' conception of relative autonomy which contends that the state certainly functions in the interest of capital in general but is however not controlled by any dominant class (Glenna, 1999).

Accordingly the state emerges out of class struggles which results in the creation and maintenance of conditions that are favourable to capital despite its noted relative autonomy from the dominant capital and other societal interests (Gomez and Torres, 2001). Whether the dominant classes directly control political decision-making within the state or not, it is expected of the capitalist state to invariably intervene autonomously on behalf of capitalist interests (Skocpol and Finegold, 1982). In this manner it is expected for political outcomes, including revolutions, to continuously and unduly favour and reward capitalists inevitably (Skocpol and Finegold, *ibid.*).

This thesis undertakes two broad tasks; firstly it provides narratives of the historical context of transition and the formulation of policy ideas within the ANC and during its successive terms of office after 1994 where key adjustments particularly policy goals, policy mechanisms, as well as institutional arrangements were introduced. The unit of analysis for this undertaking is a composite case study comprised of GEAR (1996) strategy as well as the micro policies of FBE (2003) and NFS (2006). Secondly, it examines these processes with a specific reference to the ideas of relative state autonomy and incrementalism as instrumental to the process of policy change.

Thus this thesis makes two major contributions; firstly it provides a rigorous attempt of explaining policy change by applying the historical institutionalist approach whereby relative state autonomy is situated at the centre of state action whilst also considering

contextual factors. Secondly, this thesis presents a qualitative and empirical account via a compound case study of the macro-economic policy framework and two micro policies based on original and primary data. Furthermore, within this story of policy change and stability, the post-apartheid state evinces significant relative autonomy against societal pressures from several fronts such as leftist commentary, Tripartite Alliance partners such as the Congress of South African Trade Unions (COSATU) and the South African Communist Party (SACP) and, as well as from social movements. For example this thesis reveals that the post-apartheid state managed to go against demands for the state to pursue economic growth through redistribution very early in its first term of office where it introduced the very unpopular GEAR policy. Additionally, once the state was ready to deploy its resources aimed at alleviating the plight of the poor majority of South Africans, it introduced a basket of free basic services including FBE (2003) and water, as well as the NFS (2006) policy thereafter.

This thesis begins by acknowledging the lack of empirical studies dedicated towards tracing policy formulation processes whilst simultaneously theorising about the specificities of policy change. Supported by empirical data, in this thesis I wish to argue that whilst policy paradigmatic shifts have not been registered at macro-economic policy level; a substantial amount of relative state autonomy and the achievement of economic stability have ensured that state bureaucrats are able to effect instrumental incremental changes at micro policy level.

Policy formulation partly entails limitations but more importantly it is a narrative of change (Goodin *et al.*, 2006). As a matter of course policies change for all sorts of reasons as well as in a variety of different ways; the context changes, and policy challenges also change, new technological advancements are introduced and there is turnover of personnel and jostling amongst powerful interests (Bennett and Howlett, 1992; Goodin *et al.*, 2006). In effecting change, historical Institutionalist arguments foreground state autonomy and the potency of ideas (King and Hansen, 1999).

As such approaches which privilege ideas over other factors have confronted previous models of change which had put emphasis on exogenous societal factors, events and power dynamics as instrumental in policy change (Feindt, 2010). These new ideational theories aim at explicating policy change as resulting out of a complex nexus of relations of power and knowledge putting ideas at the centre of the policy process (Feindt, *ibid.*). In the case of South African post-apartheid policy-making, there has arguably been a glaring dearth of focus and attention committed to explaining how policies change from time to time and particularly on the centrality and instrumentality of state autonomy and ideas in the process.

In democratic settings such as in South Africa, for those inspired by democratic ideals, it has been documented that at times people directly affected by policies initiate processes of change as that leads to the realisation of certain goals that have an impact on their wellbeing (Goodin *et al.*, 2006). In this regard policies take different forms with some being totally new and or innovative whilst others represent incremental change building and improving on previous ideas (Bennett and Howlett, 1992). There is certainly more to policy change than the mere shifts in people's anxieties or their sentiments. Bennet and Howlett (*ibid.*) concur that at last the remarkable and unopposed orthodoxy that policies, similarly to other forms of state action, change due to societal pressures has been challenged by ideational approaches.

This thesis reveals the parameters and constraints of state autonomy as it demonstrates the potential and limitations public demands can impose on the state machinery in the quest for policy change. For this thesis, post-apartheid South Africa provides a critical site of understanding policy change as a function of state autonomy under supposedly hostile and trying conditions whilst concurrently withstanding external pressures.

1.2 Background and Context

South Africa became a full-democracy on 27 April 1994 following decades of colonial and apartheid rule. It has been pointed out that despite political improvements that were attained after 1994; South Africa continues to face a precarious situation of social turmoil due to enduring and racialized patterns of economic inequality (Schneider, 2003).

This type of economic inequality was cultivated over a long period of apartheid racial capitalism which suppressed black economic participation although it privileged white society in general and business in particular (Schneider, *ibid.*).

The economic policies pursued by the apartheid regime certainly produced a distinct character to capital accumulation leaving an indelible imprint in social and political life (Fine and Rustonjee, 1996, cited in Magubane, 2004). South African post-apartheid public policy literature is replete with endeavours to explain the trajectory assumed by the ANC led government in its forays of addressing historical injustices that plague the majority of its populace. Whilst there is a surplus of conceptualisation on post-apartheid public policy, empirical works on the exercise of state autonomy and policy change remain underprovided.

Post-apartheid public policy has generally been characterised as a pursuit and more an entrenchment of a neoliberal agenda (Habib and Padayachee, 2000; Bond, 2000a; Satgar, 2008; Bond, 2011; Marais, 2011). Government insider perspectives on the post-apartheid dispensation have on the other hand attempted to proffer alternative explanations that seem either defensive of the policy choices made, or at times yielding to mainstream critique or that are a bit abstract on what transpired in the processes of policy formulation (Hirsch, 2005; Turok, 2008a; Gumede, 2010).

Besides the labelling of the post-apartheid policy agenda as neoliberal and bidding to enlighten why and how it became such or providing one-sided accounts of what occurred within government, there has yet to be a comprehensive interpretation of what actually transpired in a manner that is grounded on primary and original research. Scholars subscribe to the consensus that beginning from 1996 the GEAR strategy became instrumental in moulding the trajectory of post-apartheid economic policy making as well as South African public policy in general (Bond, 2000a; Heintz, 2003; Turok, 2008a; Habib, 2013).

The GEAR strategy ushered a bouquet of medium-term measures with the idea of liberalising the economy and this also included regulating the flexibility in labour markets, privatisation of state owned enterprises, reducing deficit targets, monetary stabilisation through, *inter alia*, interest rates, all with the ultimate aim of stabilizing an economy that

was edging on collapse (Heintz, 2003; Gumede, 2010). As Habib (2004) argued, the overall texture of government's macro-economic programme was conservative and this extended to the entire policy infrastructure.

The ANC under President Thabo Mbeki initiated a number of efforts aimed at integrating South Africa into the global economy and these have been interpreted by many as capitulation to global capitalism and the neoliberal ideology instead of fighting it (Magubane, 2004). Most importantly, these initiatives were viewed as abandonment of the revolution and the struggles of the poor and working class majority (Magubane, 2004).

Meanwhile Bond (2000a) asserts that South African capital took advantage of moderate black rule which brought about a deregulated environment allowing for huge capital outflows. The post-apartheid dispensation accordingly provided full realisation of neoliberal economic policies borne out of the last days of apartheid however with neither the reciprocity of economic growth, reconstruction and development nor successful deracialisation of the economy in general (Bond, 2000b). Whilst there are numerous justifications on why the ANC adopted the supposedly conservative macro-economic stance, Habib (2004) contends that there are at least two explanations to the post-apartheid arrangement. The first explanation, which puzzlingly appealed to both those on the left and right, was favoured by elites (Habib, 2004). The leftist commentary asserts that in essence the ANC sold out the revolution (Bond, 2000, cited in Habib 2004).

In the same vein, Koeble (2006) reasons that a few explanations describe what occurred in South Africa and this includes the idea that the country subscribed to the 'There is no Alternative' (TINA) discourse proffered by supply-side economists as well as the argument that ANC elites sold out the struggle and the people. It has also been argued from a rightist perspective that amongst the ANC leadership good judgment finally prevailed in submitting to the neoliberal agenda (Habib, 2004).

The second explanation suggests that due to changes in the local and global balance of forces the governing elites were compelled to make difficult choices which were not necessarily favourable to the poor majority (Habib, *ibid.*).

In line with Habib's (2004) explanation on limitations that state elites are confronted with when it comes to decision making, Magubane (2004) reveals that it is critical to note that political revolutions usually renege on their promises. Coincidentally both commentators reflect on Karl Marx's maxim that decision-makers generally have little room for manoeuvre and accordingly make choices under conditions imposed upon them by history and not out of their own choosing (Marx, 1972 cited in Habib, 2004; Magubane, 2004).

The nature of constraints faced by the ANC during transition and the attendant deliberations have been captured by numerous commentators including Hirsch (2005) and Turok (2008a). Former ANC Member of Parliament (MP) Pallo Jordan suggested that almost all liberation movements since Indian independence in 1947 have been forced to retreat from their initial revolutionary aims once victory had been secured (Magubane, 2004). Liberation movements are thus confronted by circumstances beyond their control at the point of victory compelling them to opt for paths they could not previously have imagined (Magubane, 2004). Thus within revolutions there would be moments of forward movement as well as those of strategic withdrawal (Magubane, *ibid.*).

In disagreement with the preceding viewpoint, Freund and Padayachee (1998) argue that the South African transition was absolutely not a revolution despite claims by the ANC and its allies. Other commentators such as Satgar (2008) and Marais (2011) also concur that indeed there was neither a revolution nor a rupture from the apartheid course. Accordingly, most commentary has instead pointed towards 'elite-pacting' and underground deals between fractions of the elite as the actual origins of the new dispensation (Freund and Padayachee, *op cit.*). Bond (2000b) also argues that post-apartheid South Africa has seriously been compromised with African nationalists and white capital colluding at the expense of nation-building responsibilities whilst also abandoning consultation with the masses.

Former President Thabo Mbeki meanwhile asserted that compromises come with the territory in the quest for an arrangement of reciprocally favourable coexistence amongst disparate parties and interests (Magubane, 2004). The same theme of constraints imposed on the post-apartheid state has been debated by Koeble (2004) in his assertion that domestic policy choices in previously colonised countries are heavily restricted compared to countries

in the global north. As such post-colonial policy-making is subject to forces far beyond the concerned countries' local conditions (Koeble, 2004).

Habib (2004) makes a pointed summation on domestic policy choices when faced with the conundrum of balancing national and global power dictates. The first contingent of interests and policy choices was the local and global capital forces³ which propounded neo-liberal economic policies (Habib, 2004). The second contingent of interests and policy choices had the superior numeracy of the voting masses⁴ as its leverage and it advocated for social and economic transformation in order to eradicate poverty and deliver services (Habib, 2004).

For the ANC foreign investment carried more weight than the masses' vote and accordingly concessions were made with local and global capital which arguably had real leverage (Habib, 2004) and this was certainly confirmed with the passing of the GEAR strategy in 1996. Concurring with the latter strand of thought, Koeble (2004) posits that the South African political economy is subject to global neoliberal economic interests more than many local players imagine despite the fact that domestic interests themselves also agree to the prescripts of neoliberalism. Consequently South African economic policy-making is a reflection of adherence to pressures from the outside and not self-determined ideals hence local policy makers ensure avoiding conflict with the Washington Consensus which has the ability of meting out punitive measures should it suspect any movements that steer away from the neoliberal agenda (Koeble, 2004).

In one of the micro policy case studies, the No-Fee Schools, Ahmed and Sayed (2009) noted that as a result of political concessions and the alleged switch from the Reconstruction and Development Programme (RDP) to GEAR, state resources towards education were reduced and consequently in 1998 a decision to charge school fees was approved.

³ Accordingly Mbeki and his cohort were confronted with conflicting and contradictory sets of interests and policy options (Habib, 2004). The clout of the capital interests rested with their ability to entice investment (Habib, *ibid.*).

⁴ The ANC opted for compromising the voting masses and this was mainly due to the racial structure of the party and the absence of a viable alternative to the liberation movement (Habib, 2004).

In a similar vein other accounts submit that subscriptions to the neoliberal ideology and globalisation lead to reforms in the management of education with more emphasis being put on fiscal austerity and commercialisation of education (Spreen and Vally, 2010). However, it is also contended that little is known about the policy trajectory that birthed the declaration of some schools as fee-free in 2006 despite the fact that there is ample recording of the NFS policy in literature (Ahmed and Sayed, op cit.). This thesis thus makes a concerted effort to address this lacuna in the literature. The new constitution of 1996 put forth the right to education at the centre with the first nine years of schooling declared as compulsory and a single deracialised education system established (Fiske and Ladd, 2003). The new unified education system further designated schools into two categories, namely public and independent (private) (Fiske and Ladd, *ibid.*).

After about two decades into democracy South Africa needed to isolate continuities and discontinuities in education as well as institute measures to attend to historical inequities within the system and their outcomes (Mestry, 2014). Consequently previously marginalised schools are allocated more state resources (the no-fee schools) and poor households, notwithstanding race, qualify to apply for exemption from paying school fees⁵ (Mestry, *ibid.*).

Other commentators had always been unconvinced about post-apartheid education policies in their entirety (Christie, 2006) arguing that policies tend to favour the privileged, those that are able to consolidate their historical benefits due to the orientation of policy makers who frame policy problems in an ill-informed manner resulting in precarious conditions which continue to reward better-off communities to the deficit of the poor. The introduction of fees in 1998 had, as an example, resulted in the consolidation of advantages for privileged white communities while state spending to historically marginalised schools remained relatively low (Fiske and Ladd, 2003).

⁵ In this manner, government attempted to pursue social justice as a constituent of education policy especially with regard to issues of access and resourcing. Government positions social justice as a crucial element of policy-making that is biased towards achieving reconstruction and development (Mestry, 2014).

Other commentators pointed at improvements in policy-making within the new dispensation in comparison to apartheid policy-making which was devoid of transparency and inclusivity (Gilmour, 2001). Nonetheless, education sector policy-making continued to be marred by infighting within the newly unified single national department, provinces, trade unions, and school governing bodies endorsing the notion of public policy as a ‘struggle, compromise and ad hocery’ (Gilmour, *ibid.*). The No-Fee Schools policy came into being on 01 January 2007 through the Amended National Norms and Standards for School Funding (ANNSSF) and this policy intervention revised the 1998 norms and standards⁶ (Motala and Sayed, 2009).

The Department of Basic Education (DBE) (DBE, 2010) reveals that the no-fee schools policy identifies deprived students as the target and main beneficiaries of the intervention. As such schools designated as ‘no-fee’ are prohibited from charging parents of learners fees although charitable donations and fundraising are allowed (DBE, *ibid.*). The NFS policy is designed such that it corresponds with Goal 2 of ‘Education for All’, of the United Nations Educational, Scientific and Cultural Organisation (UNESCO) (1990), through its stipulation on provision of free and compulsory primary education by governments (DBE, 2010).

From the point of its proclamation in January 2007, the NFS benefitted 40% of learners nationally (DBE, 2010). By 2010, the policy had catered for close to 70% of South African learners (DBE, 2010). The implementation of the NFS policy has encountered a number of problems (DBE, *ibid.*). Indeed Provincial Education Departments (PEDs) proved to be incapable of delivering on their mandate which included implementation and monitoring of the NFS policy (DBE, 2010).

Problems which ensued with the implementation of the policy were multifaceted and included, *inter alia*, timeous deployment of funds, provision of finance for schools grappling with conversion from fee-charging to NFS as well as communication issues across levels of the department (DBE, 2010).

⁶ Public funding and fee exemption policies within public and independent (or private) schools are respectively addressed by the ANNSSF (Motala and Sayed, *ibid.*). Personnel expenditure plus non-personnel expenditure (also known as school allocation) form the two components of public funding (Motala and Sayed, 2009).

In agreement with the department, Vally and Spreen (2008) noted that knowledge of the structural nature of poverty and inequality and the context within which this occurs was important for the successful execution of reforms. Thus efforts to resolve challenges in education policy reform had to be situated within the broader context looking beyond equalisation of resourcing and taking into cognizant externalities and constraints that have an impact on access and quality of education (Vally and Spreen, *ibid.*).

The second micro policy case study of this thesis presents the concept of FBE in South Africa after 1994. During the campaign for the 2000 local government elections the ANC promised to deliver a bouquet of free basic services to poor households as part of its election manifesto (Ruiters, 2011). The free basic services package comprised of a minimum of 6,000 litres of water and 50 kWh of electricity a month for eligible citizens (Ruiters, *ibid.*). An investigation into a basic electricity support tariff (BEST) targeted at subsidized electricity provision for poor households and containing a stipulated tariff was conducted resulting in the FBE policy (Gaunt, 2003). Findings from this research later informed FBE policy as a social relief measure (Gaunt, 2003). According to Bekker *et al.* (2008, p.3125) the fall of apartheid made the reconfiguration behind the electrification programme possible.

Apartheid inheritance on the provision of electricity bestowed racialized poverty and affluence and this extended to unequal allocation of infrastructure (Bekker *et al.*, 2008). The new South African government identified universal electrification as an important intervention within energy strategies that would contribute to poverty reduction (Howells *et al.*, 2006). Ruiters (2011) asserts that from 2001 free basic services formed part of a larger welfare system, including social grants, which aimed at catering for magnitudes of the poor. Compared to the rest of Africa, South Africa has high electrification levels where about 70% of households have access with two quarters of the poor connected to the grid (Howells *et al.*, 2006).

Bekker *et al.*, (2008) illuminate that huge strides have been made through the electrification programme. Before the transition period in 1990 not more than a third of citizens were connected to the grid whereas by the turn of the century electrified households constituted

half of the population (Bekker *et al.*, *ibid.*). It goes without saying that electricity supply is critical for South Africa's economy (Spalding-Fecher and Matibe, 2003). In the post-apartheid dispensation electricity supply has been instrumental for the enhancement of both industrial and human development (Spalding-Fecher and Matibe, 2003). Amongst RDP targets, electricity provision has been hailed as a huge accomplishment for poor households⁷ (ANC, 1994; Spalding-Fecher and Matibe, 2003).

Criticism of the FBE policy has however emerged. In his general commentary on free basic services Bond (2005) asserts that millions of people have suffered through disconnections on both water and electricity due to non-payment as many poor households could not afford rising service prices. Meanwhile Ruiters (2011) notes that free basic services have had a downside as they create dependence on the state and social exclusion due to means-testing for the indigent. Howells *et al.*, (2006) contend that FBE has falsified the energy mix as poor households opt for electricity over cheaper heating and cooking alternatives such as, *inter alia*, liquefied petroleum gas (LPG). Consequently an alternative energy mix which is cheaper, cleaner and equivalent to FBE in value could save the public lots of funds (Howells *et al.*, 2006).

Commentators such as Patrick Bond (2005) have been quite critical of government policy as they highlight contradictions on free basic services subsidisation which in the past ensured that black residential areas hugely funded white areas. The RDP had attempted to address subsidisation inequities for basic services by promoting redistributive tariffs at national level (Bond, *ibid.*). The introduction of FBE has been dismissed as ineffectual due to the overall neoliberal character of post-apartheid public policy which disproportionately affects the rural areas (Bond, 2005).

1.3 Chapter Outline

It is important to organise large publications into a manageable series of chapters (Dunleavy, 2003). The structure must be accessible for readers; it must show the sequence of chapters as logical, well organised and cumulative (Dunleavy, *ibid.*).

⁷ Government has prioritised access to inexpensive electricity and this is spurred by the accelerated electrification programme (Spalding-Fecher and Matibe, *ibid.*).

Accordingly this section provides a discussion of the entire outline of the thesis. This thesis comprises of eight chapters which have been arranged systematically. This thesis opens with the introduction which sets the tone of the entire research study as well as the background to the problem.

This chapter simultaneously addresses part of the literature review on the GEAR (1996) strategy, whilst it expands on the FBE (2003) and NFS (2006) literature. This section also provides the chapter outline of the thesis. The second chapter on literature review comprehensively focuses on the three main components that form the extant literature that is relevant to and that guides this thesis, namely, post-apartheid public policy; state autonomy and policy change.

The research methodology section, chapter three, provides the statement of the problem; purpose and importance of the study; as well as the rest of the research methodology subheadings which include, research questions and purposes; typology and comparison of public policy; usage of history; research strategies; and the rest of the research design.

The fourth chapter focuses on the Macro-Economic Policy Framework and this is the GEAR strategy. The succeeding chapters, five and six, respectively tackle the micro policy cases of FBE and NFS policies in South Africa. The penultimate chapter titled 'Conjunctural State Autonomy, Macro-Economic Stability and Incremental Policy Change: A Discussion', provides an integrated debate of all key sections of the thesis as it builds the main and final argument on understanding policy change. Armed with the qualitative findings and a vantage point of all chapters, this segment of the document consolidates the main argument of the thesis.

Drawing from the literature review and making a consolidated comparison of the three case studies, this chapter points towards how policy change and its potential or possibilities should be understood in the South African case. The conclusion accordingly poses a question in its title 'Change and Stability in South African Public Policy after Apartheid?'

This final chapter provides a closing argument on understanding conjunctural state autonomy and incremental policy change as well as concluding remarks on the thesis. This segment highlights the trajectory of the thesis lifting the core argument about conjunctural state autonomy and incremental policy change in summarised detail. This section further provides the synthesis and contribution of this thesis to the advancement of knowledge as well as a reflection on the gaps in the literature.

Chapter 2 Literature Review

2.1 Introduction

The main aim of this chapter is to present a concise review of the relevant literature on South African public policy, state autonomy and policy change. Whilst not exhaustive, this literature review makes an effort to identify leading and important commentary on the subject. The literature studied herein is quite an extensive and pointed attempt towards understanding policy change, the exercise of state autonomy as well as critique of current dominant public policy literature on South African. The analytical contribution of this chapter is providing a systematic review of critical literature on state autonomy, public policy and policy change. The different strands of literature provide the buildings blocks towards explicating conjunctural state autonomy. Historical institutionalist analysis typically draws from different theoretical traditions as it marshals useful ideas that contribute towards a coherent argument.

2.2 Post-Apartheid Public Policy

It may be posited that the dominant literature on post-apartheid public policy foregrounds the macro-economic policy framework in its efforts to understand and explain socio-political developments of the period. In their pioneering work, Fine and Rustomjee (1996) argued that South Africa was set in the present political and economic trajectory by factors that originate in the inter-war period. Later the transition period, 1990-1994, got marked by the change in focus from interrogating challenges to the apartheid economy to the rush towards preparing policies for the post-apartheid socio-economic dispensation⁸ (Fine and Rustomjee, *ibid.*). At this juncture there was arguably an increased focus on policy implementation and good governance. It was noted that what could be termed the Minerals-Energy Complex (MEC) was instrumental and central in the shaping of the South African political economy (Fine and Rustomjee, 1996).

⁸ Accordingly there was a drastic shift from a penetrating study of South African political economy to policy implementation and evaluation (Fine and Rustomjee, 1996). The neglect of the structural analysis of social history and political economy was accompanied by a quest for practical solutions to the phasing-in of the post-apartheid economy and this included, *inter alia*, attending to questions of economic growth, distribution, investments and balance of payments (Fine and Rustomjee, *ibid.*). These moves lead to the discarding of issues of class structure and change and other aspects social relations and the economy (Fine and Rustomjee, 1996).

Afterwards, the economically deterministic nature of the successive literature dictated that the alleged contradictions between the RDP (1994) and the GEAR (1996) strategy in particular, would invariably form the backdrop to most post-apartheid policy conversations (Michie and Padayachee, 1998; Bond, 2000a; Narsia, 2002; Gelb, 2006; Marais, 2011).

According to the preponderance of this literature, government failure to arrest poverty, unemployment and inequality is consistently attributed to challenges that obtain at macro-economic policy level. The main contention of this literature is that the supposed 'abandonment' of the RDP in favour of GEAR is the epicentre of all tensions and failures that have been associated with the democratic dispensation. Whilst post-apartheid public policy literature may be wide and varied, the foremost contingent of commentators has arguably been guided by a shared motif of the 'betrayal of the revolution' (Magubane, 2004).

As already hinted, the point of departure within the dominant strand of commentary and analysis has been that after 1994 the new ANC lead government established a leftist policy framework through the RDP (Bond, 2000a; Ferguson, 2007; Peet, 2002; Habib, 2013). It is popularly alleged that the ANC soon abandoned the RDP for a rightist, neoliberal GEAR strategy which stressed privatization, deregulation, and trade liberalization (Adelzadeh, 1996; Bond, 2000a; Peet, 2002).

According to Taylor (2001), the subscription to the neoliberal discourse by the political elite within the ANC left them having to cater for two disparate constituencies: first there was a leftist camp comprised of elements from the trade unions and the Communist Party within the Government of National Unity (GNU), and secondly the domestic and international capital. The second camp was more attuned to the ambitions of the international class elite and was attempting to incorporate the GNU into a burgeoning historic bloc (Taylor, *ibid.*). In the main most of this literature assumes an interpretive orientation in its identification and definition of the problem within post-apartheid public policy whereby 'neoliberalism' is identified as the leitmotif across all policy developed during the period.

South African policy formulation is heavily influenced by the backdrop of a negotiated settlement which produced a GNU and dictated that since there was no outright victor or the vanquished, the crafting of a new dispensation had to be exceptionally characterised by concessions⁹ and tolerance¹⁰ (Kahn, 1996). Most literature has labelled post-apartheid policy-making as neoliberal in its disposition and this has been implicated as the cause for continuing historical socio-economic inequalities (Andreasson, 2006).

Thus, the dominant narrative amongst critics of government has been that neoliberalism supplanted apartheid ideology hence the perpetuation of inequalities (Schneider, 2003). Many have enquired about the circumstances that ushered in neoliberalism at the expense of social justice and equity for the poor majority of South Africans¹¹ (Schneider, 2003). Bond (2000a) argued that there was a consensus within forward-thinking literature that the ANC government had forsaken its liberation mandate. In Bond's (2000a) view one had to question the historical context of South African transition and the preceding chapter of the ascendance of neoliberalism globally in order to discern the triumph of GEAR in June 1996.

As Bond (2000a) concludes, the assertions become more categorical and forceful, the ANC elite prompted comprehensive entrenchment of neoliberalism across the policy landscape beginning with the Constitution. The new dispensation bolstered the market as efficient and objective with ANC politicians and their technocrats leading the project without being coerced by the likes of IMF and the World Bank but due to their conviction that 'There is No Alternative' to neoliberalism (Bond, 2000a).

⁹ The post-apartheid dispensation has been reproached for concealing underlying conflict and ambiguities as it put more emphasis on nation-building instead of debating issues of historical injustice and redress (Fisher, 1998). Thus in order to garner legitimacy the post-apartheid state invented a raft of policies and other devices of statecraft (Ruiters, 2011).

¹⁰ Jansen (2003, p.2) has characterised the transition period, 1990–1994, as 'policy positioning' for many stakeholders in preparation for the new dispensation. On the other hand the first term of the democratic government was identified as a period of policy pronouncements by the new dispensation (Jansen, *ibid.*).

¹¹ Whilst the previous apartheid regime and many economists had never been able to introduce an extensive neoliberal framework, the ANC government was indicted for having gone overboard with pro-market policies to the detriment of the black majority (Schneider, 2003).

Likewise, Marais (2011) suggests that the supposed demise of apartheid did not signify a departure from the prevailing order but rather a tense correction of a messy crisis that obtained within the system dating back into the 1970s. The highlight of 1994 was accordingly the downfall of the socio-economic coalition that had benefitted from the unsteady political establishment (Marais, *ibid.*). Moreover, the ascension of the ANC into political power in 1994 failed to instantly occupy the vacuum for control of the country but rather opened a new contest for hegemony¹² (Marais, 2011).

Relying heavily on secondary sources, Marais (2011) contends that the ANC had a slim chance of winning via political action; it was confronted by enmity and had to soothe uncertainty whilst within its top-tier it had almost no economic influence¹³. Lastly, Marais (2011) contends attempts by the ANC to quickly catch up on economic policy during transition and its dependence on feeble advice left the organisation vulnerable to mainstream counsel. For years to come the South African Left had to learn to live with the reality that the neoliberal trajectory was permanent and not a merely ephemeral inconsistency (Marais, *ibid.*).

A government insider perspective provided by Hirsch (2005) is a contrarian take on the trajectory of post-apartheid macro-economic policy insisting that after 1994 the ANC continued to pursue a constant economic ideology. The economic ideology allegedly situated social democracy at the centre of transformation with sturdy state support to address disparities and upgrade the conditions of the poor whilst wary of not creating entitlement and reliance on government (Hirsch, 2005). Hirsch (2005) further contends that his thesis on post-apartheid macro-economic policy is by no means aimed at suggesting a deterministic reasoning in the ANC's approach to economic policy-making.

¹² More pointedly, Marais asserts that it is insufficient to claim that a leftist and progressive ANC was hoodwinked into embarking on a neoliberal trajectory (2011, p.2). Rather than trickery, the course of change was determined by the balance of forces that triumphed at the time (Marais, 2011).

¹³ For much of its history the ANC paid little attention to economic policy and the advent of global neoliberalism left it susceptible to the Thatcherite maxim 'there is no alternative' (TINA) (Marais, 2011, p.98). The hegemony of global neoliberalism erased any possibilities for competing alternatives such as developmentalism common within the post-colony as well as varieties of socialism from the former Eastern bloc which especially inspired the ANC (Marais, *ibid.*).

With regards to the introduction of GEAR in 1996, Hirsch (2005) argues that the macro-economic policy had multiple sources which included, inter alia, allaying international fears, protecting the currency and reducing high interest rates, reservations about ANC leadership and economic policy, etc. The latter summation may appear superficial but Hirsch's conclusion does take into account the developments that transpired during the transition period including continuities from the past in ensuring that GEAR was put in place.

Ben Turok (2008a) argues that once in power, the ANC government opted for an austerity economic policy which achieved macro-economic stability, low inflation and a well-adjusted budget. ANC policy was however unable to deal with high levels of inequality, unemployment, crime, poverty, and the scourge of HIV/AIDS (Turok, *ibid.*). It is also known that since the ANC assumed office through a negotiated settlement there was reduced space to explore their ideals not least within the economy (Turok, 2008a; Marais, 2011; Habib, 2013).

Whilst commentary from the left slates the ANC for allegedly selling out the revolution, those on the opposite end argue that no other preferences could have been attempted (Magubane, 2004; Turok, 2008b; Habib, 2013). Citing resolutions of the ANC Mafikeng conference of 1997, Turok (2008b) admits that the ANC was faced by a quandary since to a great extent historical power relations stayed the same. The white minority remained dominant and influential leaving the power of the ANC constrained across most sectors¹⁴ (Turok, 2008a).

Butler (2004) characterises the post-apartheid condition as a balancing act. It was noted that a decade into democracy the legacy of apartheid continued to be forceful in the shaping of the country's politics and the future (Butler, 2004). Butler (2004) observes that the country had by then long departed from the tumultuous politics of resistance to apartheid. As a matter of course, the country attempted to reclaim normalcy, the poor in urban areas resumed their survivalist lives, and people took advantage of new educational and economic

¹⁴ The negotiated transition worsened matters due to a lot of concessions made to ensure a peaceful settlement (Turok, *ibid.*). The success of the new dispensation and its reforms has been challenged (Turok, 2008a). Accordingly, the transformation has failed to deliver on its promise both socially and economically, and the interventions have papered over and not corrected historical imbalances (Turok, 2008a).

opportunities while reforms in the public and private sectors allowed for the unprecedented emergence of a black middle class (Butler, 2004). It is acknowledged that the 1990s did not usher in a flourishing economy, there was neither a meltdown due to populist calls for redistribution as it had been predicted by some (Butler, *ibid.*).

From 2005, the idea of a 'developmental state' garnered traction in political discourse (Reitzes, 2009). This strand of literature assumed prominence and remained on peak for a brief period time. As Reitzes (*ibid.*) contends, there was neither a lucid definition of the concept of the developmental state nor a detailed plan on how government meant to execute the project. In a seminar held by government in 2008, the premise of the gathering was to consider South Africa's potential of accomplishing her ideal of becoming a developmental state (Turok, 2008b). Likewise, the National Development Plan (2012) claimed it was devoted to constructing a proficient and developmental state that recognises South Africa's needs. The developmental state was to be at the heart of transforming society but first a capable public service sheltered away from meddlesome politics had to be nurtured (Ayee, 2013).

Thus South Africa could be regarded as a developmental state in progress (Fine, 2010; Ayee, 2013). It is certainly rare to encounter a country that has consciously set to become a developmental state like South Africa did, developmental states have usually been identified post-facto by external observers who happen not to be state bureaucrats but rather academics¹⁵ (Edigheji, 2010; Fine, 2010). In effect, the ANC government has been proactively declaring itself as championing a developmental state model; the rhetoric has had peaks and troughs over the years. This commitment is reflected in a number of conference documents such as the National General Council of 2005 (ANC, 2005) as well as in the successive conference documents of the Polokwane elective conference (ANC, 2007), and other gatherings.

¹⁵ Elected public officials rarely demonstrate academic determination; concepts whose origins are easily traceable happen to be adopted and used out of context for populist purposes resulting in confused postulation (van Dijk and Croucamp, 2007).

Swilling *et al.* (2004) note that in the past decade there was a hiatus where the South African state was floating between a developmental state and the Washington Consensus due to the focus and pressing need to dismantle the vestiges of the apartheid system that was the bedrock of racial capitalism (Swilling *et al.*, 2004, cited in Fine, 2010).

Fine (2010), a leading commentator on the developmental state and the South African political economy questioned the very foundations of the ANC's conception of the developmental state. Accordingly, a combination of factors has worked against a realistic establishment of a developmental state such as the timing of a macro-economic policy framework that allows capital outflows by conglomerates instead of encouraging domestic investment, lack of state capacity, failure to subject capital to developmental goals, failure to build energy capacity to meet developmental needs, and inability to coerce capital in general (Fine, 2010). The developmental state claims and ambitions of the ANC government have been fervently disputed or outright dismissed by some commentators as a ruse for justifying state contradictions whereby a populist rhetoric is formed despite lack of concrete evidence confirming the existence of a developmental state (Satgar, 2012).

The pursuit of neoliberal policies by the post-apartheid state gainsaid claims by public officials that the country was on a developmental state trajectory¹⁶ (Satgar, 2012). Most importantly, the country is devoid of a shared imagination and agreement on the mode of pursuing a developmental state (Evans 2010, cited in Satgar, 2012, p.39). The experience of most South Africans is that of abject poverty alongside affluence and high consumerism (Satgar, 2012). Satgar (2012) has branded the ANC led government as a protagonist for neoliberalism on the continent as they have fashioned post-apartheid South Africa as a 'neoliberalism of a special type' whilst posing as developmental. As such post 1994 South Africa could be seen as a 'passive revolution' denoting that there is a façade of change but actually nothing has improved (Satgar, 2008, p.52).

¹⁶ The rhetoric of the ANC government went against the grain of what South Africa essentially is; aspirations of a developmental state were conflated with the incongruous reality (Satgar, 2012). South Africa is deficient in a concept of a modern democratic state that is progressive in terms of ecologically conscious production, technological advances, economic growth and nurturing human capacities (Satgar, 2012).

Other commentators also disputed the viability of a developmental state. Von Holdt (2010) has argued that unless nationalism is redefined for redress and catering to the needs of the masses, there are no chances of the realisation of a developmental state which particularly places a functioning public service at the centre. Whilst there are variations in the literature on the developmental state, an effective bureaucracy and state institutions remain a common tenet across the works and this is one question that South Africa has to grapple with (Von Holdt, 2010). According to Bond (2008), the 'developmental state' conceptualisation is a distraction and a farce. Bond (2008, p.23) asserts there is general confusion and an absence of a strategy on how to pursue a developmental state under the ANC government that is faced by internal battles and continuing struggles against neoliberalism in people's everyday lives.

Fine (2007, cited in Bond, 2008) notes that the ANC government purports that there is a logical progression from the conception of GEAR in the past and the succeeding utterances on the developmental state. In concurrence, Marais (2011) argues that the ANC government 'introduced' the development state 'project' in order to counter the criticism of GEAR in the early 2000s. Thus the supposedly contrite ANC increased social expenditure and this was informed by lopsided understanding of neoliberalism which wrongly implies that under such conditions states abandon their intervening role in the economy and social welfare (Marais, *ibid.*).

According to Marais (2011), substantial and consistent state involvement in the economy and society largely is a hallmark of neoliberalism. The state performed a balancing act of championing the interests of capital whilst simultaneously attacking civil society organisations and meeting public obligations (Marais, *ibid.*). Marais (2011) concludes that positioning the neoliberal state as antithetical to a developmental state is misleading as the neoliberal fundamentals of GEAR remain in place despite increased public spending.

Claims of policy shifts have been made over the course of time and especially since 2007. Michie and Padayachee (1998, p.632) argued that explaining 'policy retreat' sufficiently is an arduous task and there was observable change in ANC economic policy from the time of transition.

As an example, the ANC did not dismiss a social democratic platform or a Keynesian-type strategy for the country's reconstruction from the very outset (Michie and Padayachee, *ibid.*). Meanwhile Habib (2013) reasons that critics who speak only of the continuities of state policy between the Mbeki and Zuma administrations lack discernment to do sufficient justice to the nuanced changes that have emerged. According to this view, while policy rupture has not occurred, that does not mean that significant change cannot take place (Habib, 2013). Habib (2013, p. 102-103) contends that a leftward policy shift which was initiated by Mbeki continued under Zuma and there has been a strengthened neo-Keynesian thrust since then. According to Habib (*ibid.*) the new policies have increased their vigour in tackling poverty, inequality and unemployment. In this sense, current policies are considerably different from the set introduced in 1994¹⁷ (Habib, 2013). This segment of the chapter has outlined some of the leading contributions towards understanding post-apartheid public policy. Judging from the direction of the literature it is clear that thus far there is no single coherent South African framework of analysing policy change.

2.3 State Autonomy

Foremost literature on state autonomy as a factor that arises within the relationship between economic interests and state structure could at least be divided into two broad categories, namely the neo-Marxist (or society-centred) and the state-centred approaches (Block, 1979; Valocchi, 1989; Hay, 1999; Carnoy and Castells, 2001; MacLeod, 2005). Within the Marxist tradition there were initially two strands of thought that became prominent, namely, the instrumental neo-Marxist approach of Ralph Miliband (1961) and the Structural-Marxism of Nicos Poulantzas (1972), Offe (1974) and Block (1977) amongst others (Valocchi, 1989; Hay, 1999). In contrast to Marxist accounts the state-centred Weberian-Hintzean or neo-Weberian approach has been championed by Nordlinger, Orloff and Skocpol amongst others (Skocpol, 1985; Valocchi, 1989).

¹⁷ Michie and Padayachee (1998) had wrongly argued that GEAR (1996) was the first policy that was originally crafted by the ANC as everything about it from process to content had little or no influence from the past. Preceding policy documents such as the RDP were regarded as having been adopted for political and ideological purposes (Michie and Padayachee, 1998). GEAR was perceived as the blueprint strategy of the ANC government and their ever first proper economic policy (Michie and Padayachee, *ibid.*).

In classical Marxism, the state in the age of capitalism is portrayed as an offshoot of social stratification (Albo and Jenson, 1989; Hay, 1999). So in order to achieve their collective economic and political interests dominant classes controlled the state and utilised it as their instrument (Skocpol, 1985; Albo and Jenson, 1989; Hay, 1999). Instrumentalist neo-Marxism in its crudest form went on to argue that the state was the apparatus of monopoly capital in the age of imperialism, and therefore the means by which the supremacy of capital over civil society is upheld (Clarke, 1977, p.2). Subsequently, in order to grant the state some degree of independence from direct control by class interests and economic causes, the idea of 'relative autonomy of the state' was later developed by structural-Marxists to avoid reducing the state to an instrument of domination (Albo and Jenson, 1989; Hay, 1999).

As Marxist thought evolved from Miliband's instrumentalism to Poulantzas' Structuralism, it reached the supposition that states were surely not autonomous; instead states were rather relatively autonomous (Clarke, 1977; Albo and Jenson, 1989; Valocchi, 1989; Hay, 1999). After the 1960s the underpinning was laid for newer debates on state autonomy within Marxism as economic reductionism became discredited, Gramsci's and Althusser's respective concepts of hegemony and overdetermination assisted the move immensely (Neilson, 1998).

In direct contrast to Marxists, neo-institutionalists emerged as more state-centred following their study of state autonomy that went beyond its relation to capital but as an inner component within a government system (Neilson, 1998). The capacity (and latitude) of the state to act as well as its capability to act independently were therefore identified as the two co-operating elements that are important for separating the autonomous roles of the state (Skocpol, 1985; Neilson, 1998).

By the twentieth century the state was identified as one rare phenomenon with widespread and inescapable influence as both an institution and social actor (Evans, 1995).

It was subsequently argued that debates on state autonomy had to examine the different types of state involvement as well as their consequences instead of measuring the degrees of state intervention¹⁸ (Evans, *ibid.*).

Additional debates on the prospects of the general existence of indispensable state autonomy pointed at scenarios of the state acting autonomously such as in cases of public officials having independent goals of their own as well as the institutional capacity to decide and execute (Przeworski and Wallerstein, 1986; Radice, 2008). Subsequently, Przeworski and Wallerstein (1986, p.234) noted that there was consensus within a number of theories that even under democratic institutions the state remains autonomous in numerous perspectives and with varying extents from societal interests including the electorate, capital, civil society and organised labour. And within democracies, officials such as bureaucrats and politicians could therefore not be perceived as the ultimate representatives of the citizenry and acting in their best interest (Przeworski and Wallerstein, 1986, p.234). State bureaucrats were herein identified as a distinctive category with its own interests and ideals.

DeCanio (2010) has however lamented the fact that current arguments had not been able to identify the most fundamental characteristics underpinning state autonomy. State autonomy means that the state, understood as an organisation and a set of institutions within a given territory, has the capability of articulating its own aspirations as policy goals independently and without succumbing to pressures from societal interests, non-state actors or social classes (Skocpol, 1985). Accordingly, some scholars cast off claims that gave importance to societal interests in policy-making and undertook the task of studying the manner in which public officials operating within the limits of state institutions managed the policy process from goal initiation to execution (DeCanio, 2005).

State autonomy as a concept has evolved delicately and with noteworthy results over the past years (MacLeod, 2005).

¹⁸ For Evans (*ibid.*) state involvement was a no brainer and thus debates did not have to look at withdrawal and contrast it with engagement of the state as if they were competing choices, the more relevant questions should rather be on the types of state intervention and not the degrees.

Initial conceptions of state autonomy were commonly concerned with the question of whether the state was either structurally or instrumentally independent from capital and the Marxist class basis of the state within capitalist economies was almost the only existent perspective (MacLeod, 2005). As already indicated, commentators such as Evans (1995), *inter alia*, have totally rejected the latter dichotomy prevalent in earlier neo-Marxist literature and thus attempted to proffer an alternative explanation through the concept of ‘embedded autonomy’.

Before delving deeper into the literature on state autonomy the definition of the state is worth exploring. Firstly the state, armed with its’ very own employees named bureaucracy, is comprised of a set of organizations¹⁹ (Hall and Ikenberry, 1989). The state is constituted of both the state apparatus, which are the civil and military establishment together, and government (Hamilton, 1982). In Engels’ terms, the state acts as an organisation of power and a political structure which facilitates and safeguards the economic as well as the political dominance of the elite classes which then arrogate the surplus for themselves (Bresser-Pereira, 1995). Violence and coercion are the most important properties of the state (Hall and Ikenberry, 1989; Hay, 1999).

Secondly, the institutions of the state are situated at the core of a geographically constrained domain and culture (Hall and Ikenberry, 1989; Bresser-Pereira, 1995; Hay, 1999). Most importantly, the state relates internally to a particular society and externally towards other nation-states within the international system where it has to assert itself (Hall and Ikenberry, 1989). Max Weber (Skocpol, 1985, p.7) argued that at the center of the state lies the administrative and judicial institutions endowed with force to make exclusive demands and accordingly the state is a mandatory organisation asserting control over a territory and its people. State capacity on the other hand points to the facility of the state to effectively execute its mandate against opposing societal interests (Skocpol, 1985, cited in Trezzini, 2010).

¹⁹ The police, parliament, the judiciary, the bureaucracy, amongst others, together form the system of state institutions (Wells, 1981). The role of state theory is to explicate the nature and purpose of state institutions, as a matter of course Marxist theory interrogates the inner workings of a society whereas the combined state institutions only form the façade of the capitalist society (Wells, *ibid.*).

State-centered views insist that the important role of the state cannot be summarised to competition between societal forces such as capital and other interests as they battle for state control (Ward, 2003, p.185). Hamilton (1982) maintains that any sound enquiry should identify the state exclusively as distinguishable from societal class relations. Within a given territory, the state enjoys a distinguishing and legitimised monopoly of authority and control over national resources, public policy-making, information, critical service provision, as well as sanctioned use of violence and force (Ward, 2003). Thus, according to Engels and Weber, state institutions possess definite qualities allowing them legitimate authority and administrative support for the use of force, administration, resource allocation, and extraction of taxes over a territory (Hamilton, 1982). The special role of state institutions as illustrated in the preceding literature in a way points towards the existence of state autonomy as feasible and practical.

Amongst others, Marxist scholars have indeed pointed to the limitations regarding the scope of state autonomy (Hamilton, 1982). In capitalist societies the state's dependence on societal resources such as taxes and loans generated from the system and private sources, circumscribes its' autonomy despite its high cohesion and enhanced control of the means of violence and force (Hamilton, *ibid.*).

State autonomy as a concept remains contentious for Marxists since the state is perceived as playing the role of maintaining the capitalist order in which the elite remain dominant (Hamilton, 1982; Hay, 1999). In the Marxist tradition, the essential concerns were more on the internal mechanisms of the state than simply on the contestations over the ownership and control of the economy between societal classes (Hall and Ikenberry, 1989). It is implied that the state plays a role of promoting the interests of the dominant classes whilst ensuring sustenance of the system (Hamilton, 1982; Bresser-Pereira, 1995; Hay, 1999). Marxist scholars agree that at no point was the state a non-aligned force standing for public good and as such it has invariably championed the interests of the elite classes (Hall and Ikenberry, 1989; Bresser-Pereira, 1995; Hay, 1999).

Amongst Marxists, Ralph Miliband's contribution provided fundamental direction for what became known as 'instrumentalism' (Albo and Jenson, 1989; Hay, 1999).

For Miliband the distinction between the dominant classes within society and public officials occupying positions within state institutions was important (Albo and Jenson, 1989). Thus in this manner Miliband identified a gulf that was hidden by relations shared by public officials and the dominant classes within state and society (Albo and Jenson, *ibid.*). Despite the state being relatively autonomous from the dominant classes, state institutions stood for the ultimate instrumental benefits of capital (Albo and Jenson, 1989; Bresser-Pereira, 1995; Hay, 1999).

An elaborate account on state autonomy and bureaucracy is provided by Poulantzas (1972). For Poulantzas (Poulantzas, 1972; Hay, 1999; Ianoni, 2013), the question is not whether the dominant classes directly or indirectly partake in the state apparatus, ultimately the state acts as a mechanism that creates social unity and stability in order for the capitalist system to be reproduced and for the elite classes to maintain their dominance of society.

Additionally, the dominant classes do not need to be in possession of direct political control of the state for their interests to be served, within a capitalist mode of production the interests of the ruling classes are especially best catered for when the latter are located outwith state institutions (Poulantzas, *op cit.*). On the other hand a special category is formed by public officials such as the military, police, judiciary and the rest of the administration, and it is important to note that this collective commonly known as the 'bureaucracy' does not constitute a social class²⁰ (Poulantzas, 1972). As they pursue the objectives of the state, the bureaucracy inadvertently serves the interests of the dominant classes not because of their class origins or relations with the latter but simply due to the inherent nature of the capitalist state (Poulantzas, 1972).

For MacLeod (2005) Marxist scholars provided different reasons why the state could not act independent of the ruling classes, but they certainly shared a consensus that it was a non-starter for the state to act autonomously. Thus, Poulantzas (1972) postulated that the state reproduced the capitalist mode of production due to its structural limitations whilst Domhoff (1967) and Miliband (1969) contended that the state was used

²⁰ Members of the bureaucracy operate in terms of a particular accord regardless of their social class origins (Poulantzas, 1972). The bureaucracy share a unity of purpose and accordingly their social class origins are relegated to an insignificant position (Poulantzas, 1972).

instrumentally by the dominant classes to pursue their objectives (MacLeod, 2005, p.38). Miliband (1983, p.57) noted that there was paucity in literature on the question of state autonomy. For Miliband (1983) questions centred on intentions, role and purpose of state autonomy, as well as the extent to which the state could be autonomous within a capitalist mode of production (Miliband, *ibid.*). Due to the purview and potential influence of the state, these became pertinent questions for state action within society and beyond (Miliband, 1983).

With reference to similar questions, Poulantzas (1972) was of the view that Marxists had neglected state theory within the capitalist society for some time. Poulantzas (*ibid.*) advanced that the dearth of scholarly attention to the state was due to economism which was a deviation arising from prevailing thought within the communist international (second and third) conferences which were devoid of a revolutionary approach. Economic reductionism regarded other dimensions of social reality such as the state as mere offshoots of economic relations (Poulantzas, 1972, p.239). As such the study of the state was considered as unnecessary since all developments including change within society and political action hinged on the economy and pursued specific economic goals (Poulantzas, 1972). Thus any inquiry on the state was considered pointless (Poulantzas, *ibid.*).

Poulantzas' theory of the state shifted the class struggle from the economy to the political sphere with the state emerging endowed with power; moreover, class relations were facilitated and naturally determined by the presence of the state (Carnoy and Castells, 2001). Even when public officials are integrated through state power contradictions continue to exist at state level as the state attempts to maintain the dominance of the ruling classes (Carnoy and Castells, 2001). Miliband (1983) gives credit to Poulantzas for providing a thorough theory of the state through the concept of relative state autonomy. Despite the existence of state autonomy, for all practical purposes the capitalist state exists to serve the interests of the elite (Miliband, *ibid.*). For Poulantzas the ruling elite remained divided and in rivalry from within and accordingly depended on the state for the preservation of the capitalist mode of production (Poulantzas, 1972; Carnoy and Castells, 2001).

Had it not been for relative state autonomy, the state would lose its legitimacy and thus the protection of the capitalist mode of production relies on this legitimacy (Carnoy and Castells, 2001). In his conception of the state's 'relative autonomy' against control by the ruling classes, Poulantzas argued that the state provided the 'factor of social cohesion' in a society fragmented by classes (Neilson, 1989; Hay, 1999).

Neilson (1989) asserted that the balance in power arrangements within a capitalist society is consequential to the state's aptitude to encourage lasting capital accumulation. In Poulantzas conception (1972, p.247), the existence of relative state autonomy could not be attributed to the presence of public officials within the state apparatus who have interpersonal relations with the dominant classes. In its development of social policies the state benefits from extracting revenues from the dominant classes at no detriment to the latter's economic and political power (Carnoy and Castells, 2001). There are numerous permutations of relative autonomy of the state²¹ and the labelling of the state as an instrument of capital is misleading (Poulantzas, 1972).

In an attempt to proceed beyond the Marxist outline which Poulantzas had developed, Block (1980, p.228) argued that an alternative explanatory framework should take into cognisance that the state has an unambiguous role and that the capitalist relations of production are forceful and therefore the concept of relative state autonomy alone does not suffice. As Poulantzas had asserted, the state was a 'factor of cohesion' and many other interests, including state action, could be explicated as derived from this central role of the state in social formation and not from the dominance of any class fractions (Block, 1980; Hay, 1999; Ianoni, 2013). However, in carrying out its mandate, the state ultimately exists to protect capitalist class interests and without performing this important role, the state would compromise its hegemony and as such the autonomy it enjoys is relative and restricted (Poulantzas, 1972; Block, 1980).

²¹ Poulantzas (1978) provided a two-pronged explanation to the relative autonomy of the capitalist state. Firstly the capitalist mode of production is primarily defined by 'production-consumption-circulation' and it is important to make a distinction between the political and economic dimensions (Poulantzas, *ibid.*). Secondly class arrangements and struggles within capitalist society are very specific. Therefore the capitalist state has a distinctive role politically as a facilitator that organises and unifies society establishing an 'unstable equilibrium of compromises', whose part is linked to the relative autonomy of the state (Poulantzas, 1978).

Block's (1980) main contention stopped short of asking 'what exactly is autonomy and where does relative autonomy begin and where does it end?' As Block (1980) questioned Poulantzas' argument, the main issue was determining the scope of relative state autonomy. Thus for Block (*ibid.*) what was implied by the relativity of state autonomy was that public officials operated within certain parameters whereby any move beyond specified boundaries would call for rebuke by the dominant classes. The corrective intervention by the capitalist class was contingent on their own unity, consciousness and political capability either as a grouping or that of their leading fractions (Block, 1980).

Decanio (2010) was very interested in isolating variables that determined state autonomy whilst Albo and Jenson (1989) noted that there was contestation around the concept. Questions were raised to determine the delimits of the autonomy of the state, how was it determined in relation to dominant classes, organised interests and the international system? And how was the autonomy politically mediated within the state apparatus itself? (Albo and Jenson, 1989, p.182). Questions that scholars such as Evans (1995) had tried to avoid persisted. It was clear that states vary in their institutional form across time and space and accordingly state autonomy was subject to extant conditions within a particular context, and pressures from societal interests weighed heavily on policy-making (Albo and Jenson, 1989, p.182).

Neilson (1989) has maintained that although Marxist formulations emerged out of a specific historical context, the conceptualisation remained relevant. Abrams (1988, p.60) contends that the argument on relative autonomy ended as if issues had been thoroughly discussed rather than resolved. Miliband and Poulantzas moved on to interrogate other relations of domination (Abrams, 1988, p.60).

Other commentators have commended Poulantzas right into the new millennium; he had identified the state as both the centre and highpoint of class conflict thus providing an insightful study (Carnoy and Castells, 2001). In Gramscian terms state autonomy was a reflection of the unequal power relations over the organisation of knowledge, society, economy, state institutions, and the influence of the capitalist class over these domains (Carnoy and Castells, *ibid.*).

Marxist explanations remained reductionist by failing to acknowledge the distinctive existence of the state rather than seeing it as a microcosm of society (Mann, 1984). In her attempts to take the argument further, Skocpol borrowed from Marx and Weber in equal measure (Mann, *ibid.*). Skocpol (1980) introduced an additional focus on the state's administrative dimensions and usage of force whilst not losing emphasis on the class foundations of state activity (MacLeod, 2005).

For Skocpol the state was a potentially autonomous structure from capitalist fractions based on its internal and external aspects (MacLeod, 2005, p.39). Thus from an inward point of view the state is able to extract revenues from society for the sustenance of its apparatus²² and this ensures avoidance of direct control by the dominant classes (MacLeod, *ibid.*). From an external dimension the state forms part of the international system and this is a potential source of autonomy and action against domestic capitalist classes (MacLeod, 2005).

The power of the state can be potentially deployed either internally against certain class interests or against foreign forces with some level of autonomy (Mann, 1984). The state is basically a sphere that serves as a cradle of its very own autonomy (Mann, 1984). Today the capitalist state is well resourced and powerful enough to execute its agenda across society (Mann, 1984).

Evans (1995) has highlighted that state forms vary in many respects internally and externally depending on the type of society and attendant conditions. Moreover, the state has grown tremendously outside of the western world whilst there is paucity of a suitable materialist theory suitable for the analysis (Ziemann and Lanzendorfer, 1977). For Evans (1989), investigating how states affect development, is one important approach in state analysis. A heuristic tool investigating states within a range from predatory to developmental is quite useful but not sufficient for state analysis (Evans, 1989).

²² Mann (1984, p.187) notes that Skocpol refers to the work of Otto Hintze especially the two-pronged perspective of the determinants of state organisation: First the internal organisation of classes in a capitalist society, and second, the outward arrangements of states in relation to one another within the international system.

Evans argued that predatory states characteristically lacked a functioning Weberian type bureaucracy and thus states that victimise their own citizenry could not be thought of as autonomous but rather as more captured, questions of levels of bureaucracy and internal organisation such as within the developmental state had to be raised (Evans, 1995, p.12). The developmental state derived its autonomy from its internal organisation especially in nearly approximating a Weberian bureaucracy with its exceedingly discriminating meritocratic staffing and corporate unity (Evans, 1995, p.12). However, state organisation was not sequestered from societal interests but rather embedded in material social networks that connect the state and society in an institutionalised system of policy formulation²³ (Evans, *ibid.*).

Literature on state autonomy has been developed over a period of more than half a century. This segment of the literature has demonstrated the immensity of the terrain by attempting to narrow its selection to a few significant analyses available. Marxist commentary in particular seems dominant as well as useful to a large degree. Whilst focusing on industrially developed western nations, it is quite promising for applicability to the developing regions of the world such as South Africa with their uneven power configurations and historical disparities.

2.4 Policy Change

Public policy literature offers several frameworks for understanding policy change. Drawing inspiration from across social science disciplines, models of policy change aim at resolving public problems (Dunn, 2004). The key challenge with policy change studies is that they tend to concentrate on dissimilar aspects of the policy formulation process putting emphasis on one facet whilst neglecting others (Wilson, 2000). Accordingly, the effect of policy paradigm, role of the ruling classes, influence of shifting power arrangements, and the leverage possessed by capital are overlooked as public policy literature accentuates the role

²³ Embedded autonomy accordingly refers to the apparently contradictory combination of corporate unity and connectedness resulting in industrial makeover based on a fruitful foundation of state intervention (Evans, 1995). Intelligent ideas and private sector cooperation were indispensable to embedded autonomy and thus a totally autonomous state would be deprived of these advantages (1995, p.12). A state only becomes developmental when there is a merger of embeddedness and autonomy (Evans, *ibid.*).

of politicians and interest groups in the decision-making process (Wilson, 2000, p.255). Within the extensive historical institutionalist literature, Hall (1993) introduced the social learning framework to explain policy change. Whilst this thesis broadly draws from the historical institutionalist approach to explain stability and policy change, this literature review strictly focuses on the social learning framework (Hall, *ibid*).

It is not expected for theories of change to be extensive; instead they have to be illustrative (Stachowiak, 2007). Conceptual models for example serve as abstract representations various relations including people, historical events, current affairs, and other objects (Dunn, 2004). Furthermore, analogies and metaphors are also employed within conceptual models (Dunn, 2004, p.47). Sabatier (1995) advises policy scientists to be conscientised of many existing theoretical perspectives so that they can create a toolbox of lenses instead of being limited to a single approach. An analyst exposed to several perspectives stands to understand the implicit differences and assumptions contained in each of the frameworks much better (Sabatier, 1995). Parsons (1995) asserts theoretical frameworks employed by analysts do not exhibit a pluralistic array due to the variety of policy interests, scholarly orientations, institutional settings as well as associations with the policy process.

What is of interest to this literature review is that within historical institutionalist works various insights on policy change have emerged accentuating learning and accordingly contesting orthodox conflict-oriented theories (Bennett and Howlett, 1992). The social learning model of policy change is based on Peter Hall's research into British economic policy-making (1993) (Freeman, 2006). Hall (1993) studied the transition from Keynesianism to monetarism where he argued that throughout policy fields, certain philosophies and social interests are acknowledged and granted esteem as either valid or invalid over others and this occurs within a particular framework of ideas (Jordan and Greenaway, 1998, p.671). Most scholars in public policy analysis define learning in terms of renewal of policy beliefs as informed by practice, social interaction, observed accounts and new knowledge (Dunlop and Radaelli, 2013).

Concurring, the imperative driver or motor of policy change within social learning models has been strongly identified as ideas and beliefs (Jordan and Greenaway, 1998). Conflict and tensions amongst various ideas as assumed by actors, including motives that nurture their interpretations, have been identified as drivers of policy change (Medrano, 2012). Subsequently, renewal of beliefs takes different forms and could be percipient and planned or could be accidental (Radaelli and Dunlop, 2013).

Studies in social learning investigate how, local and foreign, failures and successes in policy lessons and historical experiences arise amongst policy-makers (Greener, 2001, p.133). This approach inquires, *inter alia*, on the policy process focusing on punctuated equilibria following long periods of stability and then abrupt change, continuity, and change (Greener, 2001, p.133). Accordingly social learning takes into account past experiences and new information as a basis of policy reaction where calculated and informed adjustments in policy goals or practices are introduced (Hall, p.278). Moreover, social learning stressed the defiance of societal pressure through the ability to carry out autonomous state action (Hall, 1993). Learning is undertaken by public officials as agents of the state (Bennet and Howlett, 1992, p.279).

Social learning accounts also reveal that in the formulation of policy goals or objectives, the state exhibits considerable independence from societal forces (Hall, 1993). The purpose of the interpretive framework, as introduced by Hall (1993), was to explain the shared comprehension of policy goals and mechanisms in relation to the conception of problems that the policy aims to resolve (Freeman, 2006, p.374). Martin Smith (1989, cited in Jordan and Greenaway, 1998) observed that invariably an ideology or what could be viewed as a single set of ideas dominates in society.

For Hall (1993, p.279), at any given time, the very essence of policy problems, policy goals and type of tools aimed at policy resolution, are all determined by the 'interpretive framework' or policy paradigm. In his policy regime model Wilson (2000) claimed that enduring stability comes as a result of the forcefulness of the policy paradigm. As such perceptions are rigidly shaped by the policy paradigm in a manner that frustrates the occurrence of different policy interpretations and solutions (Wilson, 2000, p.259).

Furthermore, in terms of the dominant paradigm, the idea that the status quo is sensible, normal, and acceptable, is endorsed, making alternative ideas seem illogical or difficult (Wilson, *ibid.*). The prevailing ideas are consequently justified and legitimated by the policy paradigm and it is to this framework that enduring stability is attributed (Wilson, 2000).

In his attempt to understand social learning Hall (1993) noted that previous policy is very instrumental in influencing the learning process. This view represents a rupture from orthodox political science which imputed influence to conflicts and societal interests as behind state action making governments appear somewhat inactive (Nordlinger, 1981 cited in Bennet and Howlett, 1992). Thus policy reacts more to ramifications of previous policy than it does openly to social and economic circumstances (Hall, 1993, p.277). Hall (1993) interrogated numerous ways in which ideas specifically partake in the policy process as well as how the learning process unfolds. Pointedly, questions were asked on the manner in which ideas behind policy evolved and assumed new paths, what was the nature of the learning process itself? Was it drastic like in the case of a punctuated equilibrium and common political change or gradual? (Hall, *ibid.*).

Lastly, the investigation on British macro-economic policy aimed at apprehending the role of state autonomy and social learning in relation to broader state-society affairs (Hall, *op cit.*). For Heclo, policy-making as a form of expression entailed joint questioning or 'collective puzzlement' by bureaucrats representing society as part of political interaction which is integral to the social learning process (Hall, 1993, p.275-276). Heclo concentrated on groups of key political agents or intermediaries with capacity to stimulate policy change (Bennett and Howlett, 1992). Via the 'politics as learning' process, a vital rule of state theory concerning state autonomy had been proved correct by the finding that the state is occupied by bureaucrats who allegedly serve national interest unopposed by external societal interests (Hall, 1993). Walker (1974, cited in Bennett and Howlett, 1992) argued that in order to understand the emergence and conduct of great bureaucracies one had to look internally within them instead of paying attention to outside influences on these establishments.

In this vein, as experts, politicians and bureaucrats advocated for policy learning (Greener, 2001). Even within modern democratic polities with a constitution, legislature and political parties, policy learning theories confirm that policy-making is considered as autonomous state action (Hall, op cit.). Identifying the capacity of the state to act without regard for external pressures is the main concern of the social learning model (Greener, 2001). If the bureaucracy was able to rebuff societal forces, the quest for Hall (1993) was identifying the stimulus behind state action. This is the kind of alternative explanation of the policy process that many other state theorists had been searching for (Hall, 1993). The comparative study of social policy between Sweden and Britain by Hugh Heclo indeed had a remarkable consequence on state theory (Skocpol, 1985; Hall, 1993).

For Heclo, besides power, collective confusion, doubt and perplexity were the actual origins of politics (Hall, 1993). It was through studying collective puzzlement of politicians and public officials that Heclo recognised the significance of ideas in the policy formulation process (Freeman, 2006). For Hall (1993), within social learning there was still paucity for an all-encompassing theory that explains the part ideas play in the processes of policy change. The questions of paradigm change, interpretive framework, and emergence of new thinking within policy communities were still outstanding (Freeman, 2006).

It has been argued that learning involves evolution and advance in mental models and not merely attainment of new information (Garmendia and Stagl, 2010, p.1713). It is further proposed that no single example suffices to explain different topics and thus learning has to be tested in various settings (Hall, 1993). Meanwhile Heclo asserted that in any given period it was in economic policy that learning and change in outlook could be vividly illustrated (Hall, 1993). The significance of ideological factors, belief systems, rational argument and discourse in the actualisation of policy change are all well explained through theories of policy and social oriented learning as these particularly attempt to demonstrate the relationship between public officials and elected politicians (Jordan and Greenaway, 1998).

There is still no agreement on the causes of change despite unanimity on the manner in which policy-making is determined by revisions in dominant ideas and belief systems (Garmendia and Stagl, 2010, p.1713).

Whereas ideologies are most susceptible to attacks, within policy communities they tend to be very potent instruments of discrimination (Smith, 1989, cited in Jordan and Greenaway, 1998, p.671). A number of commentators consider the effect of the social context fundamental for the learning process whilst others intensely associate social learning with the autonomy of the state (Garmendia and Stagl, 2010). It is pointed out that what policy-makers learn is a business of their belief systems making policy change a cognitive process according to ideational approaches (Freeman, 2006).

In their framing of specific problems and potential solutions policy-makers follow conversant patterns of thought (Freeman, 2006, p.480). The import of bureaucrats and specialists is stressed by Hall (1993) as he refers to the works of Hugh Heclo (1974) and Paul Sacks (1980). Paradigm change is best expounded through enduring stability and temporary change as stated by Wilson, (2000) in his policy regime model. Stability and change are a result of the organisational aspects, paradigm, and power of the policy regime (Wilson, 2000, p.270). When there are new policy goals, organisational reconfiguration, a shift in power alliances, scepticism in the prevailing paradigm, then regime change occurs (Wilson, *ibid.*).

The exact adjustments of policy instruments, strategies or policy instruments for achieving policy goals, as well as the principal objectives directing policy within a specific sector; have been recognised as the three factors integral to the policy process (Hall, 1993). There is a considerable difference between policy settings and drastic change in overarching policy goals or objectives within the learning process (Hall, 1993).

Thus the social learning framework posits that first order change in policy refers to a scenario whereby the principal policy goals and the actual policy instruments remain unchanged whilst the settings of the policy instrument are adjusted (Hall, 1993). This was precisely the situation within British macro-economic policy which focused on variations on policy settings such as in the lending or interest rates without altering with the actual instrumental design and principal policy goals (Hall, *ibid.*).

Second order change entails situations, as informed by past knowledge, in which there is frustration with results and thus adjustments on the techniques or actual policy instruments behind the main policy goals whilst the latter remain unchanged (Hall, p.278). Using Robert Cox's (1981) critical theory, first and second order changes could be understood as realms of problem-solving theory. In terms of problem-solving theory the current order is taken as a setting for action with its extant social and power relationships and institutional organisation (Cox, 1981, p.5). The goal of problem-solving theory is the maintenance of the prevailing establishment such that it functions optimally with all its institutions and relations, whilst and most importantly, also correcting or eliminating areas dysfunction (Cox, *ibid.*). Consequently, 'first and second order changes' should be construed as 'normal policy-making' in that the processes of adjustment occur without disrupting the dominant paradigm and its governing rules thus ensuring continuity and adherence to the current ideology across public policy (Hall, 1993, p.279).

The constant and cumulative first and second order changes represent an incremental type of policy change. Enduring episodes of incremental policy-making are an outcome of long-term sturdy power configurations notwithstanding the supremacy of influential alliances, civil society groups, the ruling elites or the sway of competition amongst interest groups (Wilson, 2000, p.258). According to decision theorists, instances of disjointed political development whereby policy-makers have inadequate information, react to political anxieties, and make minor uncertain adjustments in prevailing policies, all typify incrementalism in policy-making (Wilson, *ibid.*).

Extraordinary substantiation would be demanded for any suggestion for change to the stable current order (Baumgartner *et al.*, 2009). Advocates of change would need to motivate why there should be alterations to the status quo especially if it has functioned perfectly up to date and thus providing such an incentive is the main impediment (Baumgartner, *et al.*, 2009, p.31).

Policy-making has continuously been understood through an incrementalist lens that is readily justifiable (Baumgartner *et al.*, 2009)²⁴. Stability is consequently best explicated by incrementalism and not via occurrences of rapid change (Wilson, *op cit.*). One good example of incrementalism at work is budget planning (Baumgartner, *et al.*, 2009). In agreement on the incrementalist approach to fiscal and monetary policies, Dye (2002, p.145) points out that the focus of policy makers is usually on hikes and reductions effecting minor adjustments in taxes, interest rates, money circulation, deficit and expenditure levels. Incrementalism is useful for making short-term projections in public policy especially on economic policy (Dye, 2002).

Third order change has been described as entailing the concurrent overhaul of the principal policy objectives, the actual policy instruments or techniques, as well as within the settings of the policy tools, all three elements are changed (Hall, 1993). For the latter overhaul to occur, the dominant paradigm and the current order should be totally and unambiguously lose credibility (Baumgartner, 2012). The discrediting of the prevailing order is an opportunity for presentation of alternatives (Baumgartner, *ibid.* p.4)²⁵. Third order change is consequently marked by such comprehensive departure from the status quo based on consideration of preceding experiences and is very uncommon (Hall, 1993; Baumgartner, 2012).

What is termed as ‘paradigm shift’ refers to rupture in policy as underpinned by change in the principal rules of a discourse which is thus a dissimilar process of radical or third order change (Hall, 1993, p.279). Instances of paradigm shift characteristically entail the ushering of an alternative which already has received support and approval in public opinion and political discourse (Hayes, 1987).

²⁴ ‘The Science of Muddling Through’ a prolific article by Charles Lindblom is the source of the incrementalist model (Baumgartner *et al.*, 2009).

²⁵ Episodes of policy trial and error and eventual failure inform departure from one paradigm to the other (Greener, 2001, p.136). Accordingly prevailing ideas would prove unable to provide satisfactory explanation for irregularities and as such compromising the dominant paradigm (Greener, *ibid.*). The ideational integrity of the prevailing paradigm is finally impaired as irregularities mount and efforts to adjust the paradigm fail (Greener, 2001).

In such a scenario the dominant paradigm would have been discredited and policy makers compelled to abandon incrementalism in favour of a radical shift ²⁶ (Hayes, 1987). Policy actors rely on a credible and mutually agreed discourse which provides constituent parameters for ideas and principles that guide policy-making (Anderson, 1978, cited in Hall, 1993, p.279). The language that policy-makers use is entrenched within the interpretive framework or paradigm and is thus persuasive and constitutes the norm (Hall, 1993, p.279). The essence of third order change is the departure from the prevailing mental model which informs and guides policy formulation (Hall, 1993). Consequently a paradigm shift is also marked by a contest, both within the state and the broader public, as well as a move in the centre of power over policy making between two opposing frameworks (Hall, 1993, p.280).

Using Cox's analysis (1981), third order change could be understood as the realm of critical theory. This theory is critical in the sense that it totally rejects the status quo and seeks to determine its course and clarify its very origins (Cox, 1981, p.5). Unlike problem-solving theory (First and second order change), critical theory (Third order change) seriously attempts to establish if institutions undergirding social and power relationships are potentially changing or subject to transformation (Cox, p.5). As Oliver and Pemberton (2004, p.419) contend, the potential and feasibility of new ideas are critical for determining whether the new paradigm will succeed or not.

The new framework requires advocates to publicise it for adoption by state institutions such as the Treasury and Central Bank (Oliver and Pemberton, 2004). Consequently the readiness of various interest groups and powerful classes is vital for the success of new ideas and broadly the alternative emergent paradigm (Oliver and Pemberton, 2004, p.419). This institutional conflict can further be bolstered by external pressures or shocks that can guarantee acquisition of success (Oliver and Pemberton (ibid.) As an example, '*The General Theory of Employment, Interest and Money*' by John Maynard Keynes proved that intellectual revolutions are important for the ushering of counter-paradigms and influencing politicians (Oliver and Pemberton, 2004).

²⁶ Hayes (1987, p.446) used the 'Public Satisfying Model' developed by Charles O. Jones to explain radical change.

2.5 Conclusion

This introductory chapter provides a reflection on the most important literature on policy change. This chapter sets out to tackle three disparate strands of literature; post-apartheid public policy, state autonomy, and policy change. Post-apartheid literature departs from the transition period, 1990-1994, whereby the negotiated settlement cast the contours for the new dispensation by setting goals and delineating institutional arrangements. As it is revealed through the works of Satgar (2012), Marais (2011), Padayachee (1998) and Turok amongst others, the transition is notable for a plethora of continuities from the past whilst a vast array of new policies attempted to ensure limited transformation.

The contributions of Fine and Rustomjee (1995) in their opening towards the Minerals and Energy Complex (MEC) exposed a shift in policy analysis where thenceforth there was a bias towards governance and efficiency, essentially in ensuring that the economy delivered growth, jobs and productivity and integration into the global economy without having necessarily interrogated the underlying structural foundations of the economy. The post-1994 dispensation has undergone a number of labels including a social democratic pact to a developmental state as evidenced through the works of Fine (2006), Turok (2008b) and Hirsch (2005). With refractory poverty, inequality and unemployment still rife, several plans have been churned out including the RDP (1994), GEAR (1996) and the NDP (2012) to mention a few.

State autonomy literature as reviewed in this chapter has been limited to the neo-Marxist works of Poulantzas (1972, 1978), Miliband (1969, 1983), and Block (1980) amongst others whilst also state-centred contributions such as those of Skocpol (1985), have been given attention. Despite the fact that neo-Marxist analysis has been criticised for being reductionist and centering relations of production as the epicenter and determining factor for the behaviour of state institutions, its robustness and self-correcting abilities have given it sustenance.

Moving from instrumentalism of Miliband to structuralism of Poulantzas, the Marxist tradition has provided an illuminating lens beyond arguments of the state being an instrument fashioned to serve the dominant classes.

The concept of relative autonomy does to some extent demonstrate the idea that the state could be viewed as a distinct role player constrained by the larger structures of society. The seminal work of Peter Hall (1993) on the British macro-economic policy provides a lucid and convincing account of policy change as inspired by ideas and embeddedness of state action in society. Hall demonstrates the ability of state bureaucracy to act autonomously for a period time, trying out various policy ideas before their shortcomings spill over and get embedded in public discourse in search of alternatives.

Chapter 3 Research Methodology

3.1 Introduction

The main objective of this chapter is to provide a complete account on the methodological processes undertaken to collect and analyse data, as well as to present findings. This chapter addresses research design issues including data types, selection of data sources, extended case study method, social history, research strategies, as well as data reduction. The research strategies entail administrative and logistical matters that were all critical for the success of the data collection process on the field. This qualitative research study utilised elite interviews which followed a semi-structured questionnaire for primary data collection.

Secondary data was collected via Hansard reports, government reports, and other authoritative sources such as academic research reports, books and peer-reviewed journal articles. It is advisable to consider qualitative research when studying phenomena and endeavours about which there is limited knowledge as this approach has proven the most valuable (Field and Morse, 1985, cited in Appleton, 1995, p. 993). Moreover, when investigating hitherto unfamiliar phenomena the qualitative method assists a great deal and yields rewarding and thorough accounts particularly when the attention is on people's life experiences (Appleton, 1995, p.993). Policy formulation in post-apartheid South Africa is one such phenomenon about which there is a paucity of empirical studies. In order to appreciate the world from the perspective of informants and how they interpret it, as well as how they make meaning of their lived experiences, qualitative research is recommended²⁷(Kvale, 2006, p. 481).

This thesis aims to uncover how the post-apartheid state formulates public policy. In doing so it assesses the degree to which the post-apartheid state has exercised its relative autonomy to achieve macro-economic stability and effect incremental policy change. Elite interviews were fundamental to the primary data collection for this research.

²⁷ The semi-structured interview has been recommended for instances where the investigator seeks meaning (Morris, 2009, p.211). This position is usually viewed as informed by constructivist ontology and thus within this paradigm the research aims to reveal objective meanings from lived experiences of independent individuals (Morris, *ibid.*).

Elites are usually defined as those in possession of expert professional knowledge and, most importantly, close to power and influence in both government and business (Morris, 2009, p.1). Professionals such as surgeons and political, corporate, and other professionals are counted amongst elites (Morris, *ibid.*). It is worth noting that within an elite interview scenario power dynamics are remarkably inclined towards the respondent, and further challenges include acquiring access and managing the informant who could control the interview agenda (Morris, 2009, p.209).

The process of identifying and contacting key informants was the cornerstone of this research in its quest for originality and generation of primary data. Regarded as an egalitarian and liberating approach to social inquiry, qualitative research interviewing is a perceptive and potent method used in exploring the public and private experiences of informants (Kvale, 2006, p.480). The preparedness of informants to speak freely is vital to the practicality of an elite interview (Mikecz, 2012). When compared to ordinary people there is little information on elites, as such this grouping possesses clout and influence allowing them to safeguard themselves against incursion and reproach (Mikecz, *ibid.*).

Within the social sciences there is a disproportionate supply of studies on ordinary folks as compared to those concerning elites (Ostrander, 1995, cited in Mikecz, 2012). In addition to primary data sourced from elite informants, this thesis has obtained secondary data through different sites that include, national departments, municipalities, the National library of South Africa, the William Cullen Library at the University of the Witwatersrand, Johannesburg, and the Edgewood College Library at the University of KwaZulu-Natal, Durban as well as from the School of Education at the University of Johannesburg. This chapter accordingly provides, *inter alia*, a reflection on the field work undertaken for data collection, detailing the researcher's experience over the twelve months spent in South Africa between October 2013 and October 2014.

3.2 Statement of the Problem

The exercise of relative state autonomy as well as capacity to formulate and produce policy change remains an underexplored area within South African public policy. Understanding policy change as a result of the exercise of relative state autonomy is the problem that this study set to investigate.

This thesis accordingly investigates policy change as a result of the exercise of relative state autonomy by looking at policy-making in South Africa between 1994 and 2014. Although there has been a substantial production of post-apartheid policy literature aimed at assessing the performance of the ANC led government, there remains an open question on the degree to which the post-apartheid state is able to act autonomously in the formulation of its policy goals in order to effect policy change. Indeed, in order to address this gap of understanding policy change in existing knowledge, this thesis employs a composite case study to assess the exercise of relative state autonomy in the formulation of the macro-economic policy and thematic policies of No Fee Schools (NFS) and Free Basic Electricity (FBE) in South Africa after 1994. This thesis provides narrative justifications on how the South African state has exercised its relative autonomy in order to maintain economic stability whilst generating incremental policy change particularly at micro-policy level.

This research project is titled '*Stability and Change in South African Public Policy: 1994-2014*'. The labelling of a thesis has to be succinct and instructive (Blaikie, 2010). Thus, the title has been worded in a style that reveals the core of this inquiry, namely, 'stability and policy change', the locus, i.e. South Africa, and with whom and how it will be conducted (Blaikie, op cit.), that being the South African government through the case study of the macro-economic policy framework and micro policy cases in education and electricity. This thesis concentrates on the South African post-apartheid government after 1994 because the key actor in policy-making is the state (Howlett *et al.*, 2009).

3.3 Research Questions and Purposes

This part introduces the research questions. The entire inquiry, including the analysis of data, is supposed to be purposefully guided by a lucid research question (Boeije and Hodkinson, 2009). The correct gathering of data and analysis thereof hugely depend on posing appropriate questions (Boeije and Hodkinson, *ibid.*).

Certainly, the main research question of this thesis seeks understanding the course of policy development in South Africa²⁸. Research goals and intentions illuminate how the knowledge produced will be utilised and the latter is a direct consequence of research questions (Boeije and Hodkinson, 2009).

Research has to be organised and separated into several sub-questions which emanate from the overarching main research question (Boeije and Hodkinson, 2009). Qualitative inquiry is at times composed of both descriptive and explanatory questions and is consequently well equipped to tackle dissimilar research purposes and fundamental questions (Boeije and Hodkinson, *ibid.*). This thesis asks an explanatory question in this manner, ‘Why is policy developed in post-apartheid South Africa?’ Furthermore, descriptive questions have been posed in this fashion, ‘How has policy been developed in a democratic South Africa?’ and ‘What has policy development been in post-apartheid South Africa between 1994 and 2014?’ Explanatory questions typically handle the ‘why’ dimensions whereas descriptive questions confront the ‘what’ aspects of social phenomena (Boeije and Hodkinson, 2009).

Research questions arguably come in three types, for this thesis ‘why’ questions deal with investigating possibilities of change, whereas ‘why’ questions probe the presence of certain phenomena including their features and origins (Blaikie, 2010). Lastly, ‘what’ questions aim at uncovering regularities and traits of social phenomena (Blaikie, 2010, p. 60).

Each study as a project is expected to have one main research question only, and this is the fundamental aspect of the research (Blaikie, 2010). Accordingly it is critical to isolate the major question from subsidiary questions (Blaikie, 2010, p. 64).

²⁸ The design of any investigation largely relies on its research questions (Blaikie, 2010, p. 17). The importance of research questions cannot be overstated, research questions as articulated in the design guide decision-making throughout the project including all related activities of data gathering and analysis (Blaikie, *ibid.*). Research design actually begins with the development of research questions (Blaikie, 2010, p. 17). Additionally, the research purposes informing the questions have to be considered in order to further explain the reasoning around the inquiry (Blaikie, 2010, p. 57).

This thesis has formulated its questions in this manner:

Major Question: *“How has Public Policy been formulated in the South African government since 1994?”*

Subsidiary Questions:

- *What is public policy in South Africa?(Is there a common understanding across role-players, political parties, interest groups, academics);*
- *Why is public policy formulated in South Africa?*
- *What actors participate in the formulation of public policy in South Africa?*

The questions have been developed in a targeted manner to ensure that they are useful and vigorous for the task of this research project. It is incumbent upon the researcher to ensure that the questions are relevant and able to solve the research problem (Blaikie, 2010). Moreover, the researcher must indicate that the questions are manageable given the available resources and that they are essential and designed to address a specific aspect of the research problem, demonstrate their necessity in answering a particular part of the inquiry, and lastly it should be clear how the findings of the research are going to be used (Blaikie, 2010, p. 65). This thesis is premised on the idea that a qualitative research design is the most suitable for answering the questions posed and for generating the type of data that is herein sought.

A qualitative research design is best located to answer *why* and *how* questions especially in case study inquiry due to its capacity to delve into narratives, experiences, observations and responses in a manner that is extractive and nuanced thus lifting rich detail from informants²⁹ (Bickman and Rog, 2009). The aim of this thesis is to advance public policy knowledge in post-apartheid South Africa and thus it is imperative that it asks unprecedented questions on the process of policy development³⁰.

²⁹ Yin (2003) confirms that a case study approach is the most fitting; when the aim of the inquiry is to deal with both the context and phenomena under investigation; for answering ‘how’ and ‘why’ questions; and when it is impossible to meddle with the informants’ responses and conduct (Yin, 2003, cited in Baxter and Jack, 2008, p. 2).

³⁰ The strength of this research is its qualitative design as it proffers policy actors’ first hand and phenomenological experiences on policy development in South Africa.

The principal motivation of this research is the generation of an original explanation on the exercise of relative state autonomy and policy change in a democratic South Africa. Therefore in order to achieve the latter, this study begins with an investigation on policy formulation in post-apartheid South Africa. The study departs from the view that there is a paucity of domestically produced knowledge on South African public policy theory and praxis. This thesis aims to uncover how relative state autonomy has been exercised to achieve policy change, the definition of public policy in post-apartheid South Africa, how policy is perceived, as well as how it changes from time to time. Addressing the dearth of original public policy knowledge in South Africa remains the primary goal of this study. Moreover, the goal is to have the knowledge on relative state autonomy and policy change as generated through this research study utilised by academia, politicians, and civil society.

The significance of this thesis lies in its contribution towards advancing knowledge by generating new primary data on understanding policy formulation and change in South Africa using the composite case study. Although giant strides have been made in developing a plethora of policies aimed at addressing historical injustices in South Africa, most research has been hasty into zeroing onto specialised policy areas whilst neglecting basic policy design questions that tackle understanding processes of policy formulation, change and stability. A systematic review of the literature reveals a disproportionate narrative where little attention and focus have been given to the context and nuanced details around the concrete circumstances and events that marked the processes of decision making as well as the larger structures that shape policy from a historical perspective. As a direct response to the dominant literature on post-apartheid public policy, this thesis asserts that there remains a paucity of primary accounts that not only narrate how policy is formulated but also that theorise on and seek to trace and narrate forms of policy change. This thesis further details policy goals, policy instruments and institutional arrangements that facilitated the emergence of and culminated in the adoption of the policies themselves.

3.4 Data Types

Firstly, it has been established that numbers and words constitute the two common types of data (Blaikie, 2010). Based on its qualitative design, this thesis mainly employs words. Secondly, primary and secondary data are used throughout this study.

Primary data generally refers to original accounts of information that have been acquired through methods such as interviews whereas secondary data represents already existing material in forms such as reports, data sets, documentation etc. collated by other researchers or scholars³¹(Silverman, 2000).

This thesis relies on secondary data such as government documents, Hansard, and various research reports and literature accounts. Most importantly, this research study managed to produce original and timely primary data via elite interviews using a semi-structured questionnaire. This primary data arguably advances knowledge and adds value to public policy scholarship in South Africa. This research used pre-planned semi-structured interviews, by ensuring formal scheduling of the meetings and that a questionnaire with unrestricted or open-ended questions was circulated to informants in advance (Creswell, 1998). Flexibility in the approach allowed for the emergence of questions during the conversation between the researcher and the respondent (Creswell, *ibid.*).

3.5 Extended Case Study Method, Positionality and Comparison

In a manner of ‘extending out onto the field’ (Burawoy, 1998, p.5), it is worth mentioning that I had spent a period of over ten years as a public servant between 1998 and 2010 working in a total of three state departments in various policy units. Whilst contemplating the future and building on existing theory, this thesis attempts to draw linkages between history and the contemporaneous, advancing from micro level to the macro, and lifting what is collective and shared from individual experiences and therefore applying reflexive science ethnographically using the extended case study method (Burawoy, 1998, p.5). The public service journey took me through the Department of Health, the National Youth Commission (Presidency) as well as the Independent Development Trust (Department of Public Works).

³¹ Primary data is original and up to date as it is sourced by the researcher, on the other hand secondary data is ready-made and designed for research needs from literature review to data analysis and writing up, the latter is distant from the researcher (Silverman, 2000). In order to manage available resources including time, researcher usually utilise secondary data numerous times as it is readily obtainable (Silverman, *ibid.*).

As a researcher I was therefore in a position to apply the extended case study method to my own experiences as a public servant in order to elaborate on the case of policy change. A conversation between the researcher and informants that is reflexive, perceptive, and courteous is constituent to the extended case method (Cock, 2009). Scholars are expected to connect with the lived experiences of informants as opposed to dictating their perspectives on the latter (Cock, *ibid.*). The researcher is expected to devote long periods of time in the informants' habitat, this includes their places of work and private homes (Cock (2009, p.298). Instead of attending academic conferences, scholars should be acquainting themselves with spaces of ordinary citizens if they aim to acquire a holistic perspective of globalisation processes (Cock, 2009).

It is also worth highlighting that as a researcher I had earlier investigated the implementation of black economic empowerment (BEE) within Eskom, the electricity utility, for my M.A. dissertation (2008) at Wits University. Whilst the policy focus areas are different between the masters' degree research and this thesis, the subject was relatively familiar.

The field research into the public service and the interaction with state bureaucrats presented a world with which the researcher was very familiar. I had begun my public service career as a senior administrative officer in the Policy and Planning Unit of the Department of Health in Pretoria in 1998. Between September 1998 and August 2005 I was employed as a manager within the Policy and Programmes Directorate of the National Youth Commission. Lastly, I joined the Independent Development Trust (IDT) as a policy manager from September 2005 to August 2012.

In a similar fashion as Burawoy (1998), in this thesis as a researcher I attempt to bring 'reflective understanding' to the extended case study method by raising it to the level of 'explicit consciousness' as this leads to alternative explanatory and interpretative practices. The biggest advantage and reward of applying reflexive science is its ability to maintain its ethnographic strength whilst allowing for the scrutiny and study of overarching macro-level institutions (Burawoy, 1998, p.6). It is critical to highlight that this research is a social history project that was undertaken through oral interviews to ascertain people's reflections on the policy formulation process.

The data and the themes that emanate from the elite interviews should therefore be framed as a form of life stories or narrative inquiry (Foote and Bartell, 2011). Each individual is arguably submerged in numerous concurrent stories and accordingly attempts to extract meaning from their lived experiences through narrative (Brunner, 1996, cited in Foote and Bartell, 2011, p.49). More importantly, informant stories should be regarded, to a certain degree, as representative of collective experiences and histories despite narrating individual involvement and biographical paths (Alexander and McGregor, 2004). For this thesis these 'narratives reflect shared experiences' of members of particular groups within the liberation movement such as the ANC and the public service in general as well as these organisations' modes of organisation and unique roles in the policy process (Alexander and McGregor, *ibid.*).

Thus this research is particularly interested in the opinions of decision-makers, the political elite, and not the general public opinion (Bogacz, 1986). The values of these elite were inculcated by a common struggle background and reflected in the political culture they were absorbed in (Bogacz, 1986). The elite opinions and values, which are largely produced and institutionalised in historical narratives and ritualistic practices such as meetings, events, and conferences, are drawn from collective social memory (Cole, 1998, p.611). These somewhat ritualistic practices thus serve to sustain and convey historical knowledge (Cole, 1998, p.611). Although this research entails a study of one small group of elite informants, the narratives entail larger life discourses, forceful and life-changing processes and not merely immediate life stories which affected the informants during the struggle, whether at home, prison or exile, and their meaning of transition and being in government (Zetter, 2004).

Accordingly it should be underscored that the 40 plus informants interviewed within key institutions such as, *inter alia*, the National Treasury, the South African Reserve Bank, Departments of Education and Energy, provincial government, municipalities, universities and research institutions; represent a sizable sample considering the nature of elite interviews in terms of power dynamics, barriers to access, and the size of the bureaucracy at national level. The lived experiences of the bureaucrats and the politicians involved in the policy process provide the basis for the data and themes that emerge from it.

The historiography of policy formulation gains a lot from these narrative justifications as they emanate during transition after 1990 as well as within the post-apartheid dispensation (Alexander and McGregor, 2004). It is critical to corroborate information acquired, therefore elite interview data is subjected to scrutiny and confirmation using other sources and is never studied reclusively (Tansey, 2007). Previous research findings and secondary sources such as recollections, documents and other accounts can be verified with elite interview data (Tansey, *ibid.*). In order to bolster the vigour of the study, triangulation is therefore encouraged using interviews as a method of verification on the various sources (Tansey, 2007).

This thesis has certainly utilised various sources of documentation including the Hansard, public policy literature, official government reports as well as research reports amongst others. While triangulating data is important, Saikia (2004) has advised on the pitfalls of seeking to authenticate all information on personal narratives in the name of scholarly rigour. The exaggerated quest to corroborate data emanating from personal lived experiences is inclined to disempower and censor informants (Saikia, 2004, p.280). For this research, each informant's story cannot represent all politicians and bureaucrats experiences in the policy process but it can serve as a means of discussing many of the shared experiences and concerns and should be compared and contrasted (Alexander and McGregor, 2004).

Informants consulted in this study recounted 'biographical stories' (Sheppard, 2002) of involvement in the liberation struggle from a formative age, including their early education and political activism, trade union life, military training, time spent in exile and or prison, study abroad, their roles during the transition period and lastly careers in the public service, academia etc. This research on policy formulation was enriched by each informant's unique contribution centred on their lived experiences, identity, authority, and positioning (Sheppard, *ibid.*).

As collective memories, these accounts of policy formulation ordered individual experiences, and allowed for the telling of narratives that contribute to the broader understanding of the process different both from the experiences of outsiders such as social movements and the official myths of policy making (Alexander and McGregor, 2004).

As illustrated through the literature review chapter, the current historiography of South African public policy is arguably focused predominantly on the investigation and discussion of narratives between political party and state institutions. These narratives of policy formulation tend to ignore internal struggles and, more critically, certain voices such as those of social movements that are part of the political discourse are proactively muted (Saikia, 2004). The social movements' involvements and recollections of the policy process are erased in the canon of public policy especially from the government perspective (Saikia, *ibid.*). This research study accordingly acknowledges these discrepancies within both the existing literature and the data gathered through interviews herein but does not however attempt to overcome the silences in the policy narratives (Saikia, 2004). It is also important to note that it was never the aim of this research to challenge the organised silence of social movements and retrieve or stimulate their voice³² (Saikia, *ibid.*).

This research further recognizes that as scholars are engaged in knowledge generation, they are situated within specific social, economic, and political settings of society (Foote and Bartell, 2011). Within positionality theory, it is acknowledged that people have compound and intersecting identities (Bourke, 2014, p.1). A multiplicity of identifiers such as lived experiences, societal positions of power, sexuality, age, gender, race, and social class all combine to contour the positionality of the researcher (Foote and Bartell, 2011). The positionality of agents is imputed to markers ranging from the self to their global standing (Sheppard, 2002).

As a researcher I was cognizant of my position as an African male, a former public servant, a matured student, coming from an international university. I was familiar with the protocols and culture of the South African public service. The majority of the informants were senior to me based on my tenure in the public service both professionally and age wise.

³² This research accordingly acknowledges its' own shortcomings and does not attempt to correct the imbalance within the narratives by placing the social movements and other suppressed memories at the forefront of the policy process (Saikia, 2004). It is hereby noted that it is the structures and institutions outside the control of the social movements and other groupings that limit their speech and forcibly muzzle them (Saikia, *ibid.*).

All interviews which took at least one hour were conducted with utmost formality and the setting was marked by tension and high level of seriousness as I was wary not to make mistakes in how I presented myself. An individual's positionality evolves over time and space and is subject to the intricacies of that particular point in time within which it is observed (Sheppard, 2002). My identity had indeed progressed from that of a public servant to the one of a full-time student. Thus, the researcher's assertions on knowledge should not be viewed as universal truths since positionality is disposed to prejudice epistemology (Takacs, 2002).

I had consciously opted for elite interviews as I had concluded from the literature that they were the best sited method to apply when investigating the policy process as it involves those who have 'proximity to power' within the public service (Morris, 2009). The noticeable features of the researcher's pre-existing lived experiences and knowledge influence their selection of methodologies and questions formulated (Foote and Bartell, 2011). Research is a common site of interaction for both the researcher and the informants (England, 1994, cited in Bourke, 2014). The social standing of an individual in relation to 'others,' defines their positionality (Bourke, 2014, p.5).

Accordingly, it is imperative to know one's relationship to others in terms of being the empowered or disempowered, marginal or centre, and dominant versus subordinate (Takacs, 2002). Even within the course of research power relations are constructed and they mould the reproduction of the social pecking order, thus unequal positionality should be viewed as instrumental in determining the direction of an inquiry (Sheppard, 2002). The research process can therefore be possibly affected by the identities of the researcher and the informants (Bourke, 2014). Consequently, it should be indicated how epistemological claims and research questions are impacted upon by the positionality of the researcher (Takacs, 2002, p.171).

Typology and Comparison of Public Policy

The composite nature of the case study under investigation herein serves as strength for this thesis as it provides a setting for studying continuities, discontinuities, similarities and dissimilarities in policy formulation between micro and macro levels.

For one to improve comprehension on traits and properties of cases as well as control and generalisation thereof, comparison comes in handy (Sartori, 1994). Policy processes in this research have accordingly been subjected to a comparative method.

The concentrated study of several prudently chosen cases requires the deployment of the case study approach (Gilbert, 1993). Description, classification and explanation serve as the three identified uses of typological analysis in qualitative inquiry (Elman, 2005). As an example, for one to separate defense from socio-economic policies, 'description' as an analytical function should be applied (Elman, 2005). The purposes and conceptualizations of the three policies under investigation herein have informed the construction of the micro and macro level typology governing these socio-economic instruments aimed economic growth, wealth redistribution and ending poverty. This rigorous analysis is accordingly informed by a conceptual typology, which best suits the classification of policies under study (Collier *et al.*, 2008)³³. The construction of typologies goes hand in hand with the comparative method. From both a theoretical and substantive point of view, statements about pragmatic patterns, evaluation and explanation of cases work the best when studied based on comparison (Ragin, 1987). This thesis applies comparison in its efforts to investigate concepts, ideas, actors, and processes concerned with policy development in post-apartheid South Africa.

Usage of History

History provides an assortment that allows researchers to ask social science questions (Mills, 1959). Both historical and present conditions should be given attention in the study of phenomena and its overarching social structures. This study of policy formulation in a democratic South Africa is set within a historical context that predates the transition period of 1990 to 1994.

³³ Concept development in both qualitative and quantitative research largely depends upon conceptual typologies (Collier, *et al.*, 2008). This research takes public policy concepts very seriously. There are four central objectives to the formation of focussed and productive concepts; (1) Improvement and elucidation of definitions (2) Creation of useful relationships between concepts and meanings (3) Placement of concepts within their disciplinary boundaries, and (4) Provision of a conceptual pecking order to designate relations between terms (Collier, *et al.*, *ibid.*).

3.6 Research Strategies

The abductive research strategy (ARS) as used in this thesis is intended to respond equally to ‘what’ and ‘why’ questions (Blaikie, 2010, p. 89). Related to the latter, it is worth noting that the inductive research strategy is established to tackle ‘what’ questions whilst the retroductive strategy is meant only to deal with ‘why’ questions (Blaikie, 2010). Dealing with agents’ everyday language and meaning-making and theories that emerge from such an exercise requires the abductive research strategy as it is the most fitting approach (Blaikie, *ibid.*). The ARS is beneficial to this research as it is able to handle multi-faceted questions and that is the reason behind its selection. The questions asked within research study are to a large degree phenomenological and that has informed the choice of the ARS approach³⁴. For this research the dearth of public policy literature that is generated domestically provides both a challenge and opportunity. The strength of the ARS within this thesis comes from its capacity to facilitate the advancement of knowledge and the development of new theories which has been identified as gap in South African public policy literature today.

Firstly, this thesis makes an assumption that at present the South African public policy process remains undocumented from a theoretical perspective and accordingly answering the ‘what’, ‘how’ and ‘why’ kind of questions demands a well- equipped approach such as the ARS. Secondly, social reality is best experienced and interpreted by agents as insiders and it is critical to focus on their every-day lived experiences, purposes, ambitions, and connotations towards their own actions, observations of other’s actions, and how they relate with matter and this is where ARS becomes relevant (Kok, 2010, p. 3). This research attempts to acquire the insider perspective towards policy formulation in South Africa. Consequently, the most important informants have been strategically identified within South African government and politics including bureaucrats, politicians, consultants and advisers.

³⁴ A qualitative research design allows for the usage of phenomenology to explain occurrence. When examining informants’ lived experiences the phenomenological approach is usually employed, within this approach agents are able to narrate their human experiences as informed by their everyday existence (Nieswiadomy, 2008). When studying an area where there is scant knowledge informants are afforded an opportunity to provide their own interpretation and meaning of their lived experiences and that is the key object of phenomenology (Nieswiadomy, *ibid.*).

The insights into informants' daily routines, actions, and how these are informed by rules, causes, mutual knowledge and symbolic interpretations, are all critical for this research (Kok, 2010, p. 3). As a synopsis, the ARS stresses the everyday construction of social reality, theory and narratives through the informants' actions, meaning-making and language (Blaikie, 2010, p. 92). The ARS is accordingly divided into two levels of forming categories of concepts focusing on the phenomenon under study as well as describing and providing meanings to the daily routines and actions of actors (Blaikie, *ibid.*). The study of state autonomy and policy formulation provides the justification for the elected ARS³⁵.

Ontological and Epistemological Positions

In a constructivist mode, this thesis hypothesizes that social reality and knowledge are discursive consequences of social construction and this assumption is predicated on the research strategy (ARS) selected and upon this research's ontological and epistemological positions. From an ontological assumption, the premise of this research is that social reality is a human made construct emanating from mental representations (Blaikie, 2010). What becomes public policy and decision-making comes out of political and discursive processes and is therefore a construct of social interaction and thus idealist and constructivist ontological assumptions prove fruitful in explaining this phenomenon.

Bryman (2008) noted that these assumptions including the scholar's narratives are constructions. Accordingly, social occurrences and types that emerge out of social interaction are based on 'constructivism' or 'constructionism' as an ontological assumption (Bryman, 2008, p. 19). Dye (2002, p. 1) argued that whatever that governments choose to support or not, from the point of conception to execution, becomes public policy denoting a constructivist interpretation of public policy.

³⁵ Research decisions should not be informed by loyalty to a particular ideology or methodological paradigm but rather by the phenomenon under investigation, the research objectives, and the relevance of the narrative being presented (Hammersley, 1992, cited in Silverman, 2000).

The biased reading of daily routines, meanings and their translation by scholars into technical knowledge as well as the quotidian insights and social interaction informing policy-making provide the constructivist epistemological assumption on which this research is premised (Blaikie, 2010, p.95)³⁶. In order to understand the relationship between knowledge and the agent, epistemological questions have to be asked (Scotland, 2012). Discursive social constructivism, as an epistemological assumption, thus provides the basis for public policy knowledge as investigated in this thesis.

Selection of Data Sources

Elite interviews are source of primary data for this research. Key informants were identified through the network or snowball approach, a purposive sampling and non-probability method (Creswell, 1994). Purposive sampling has proven useful when deployed in areas where there is a challenge in accessing and identifying target populations (Creswell, *ibid.*).

For this research, elites such as senior politicians and bureaucrats are the typical undisclosed populations who are only reachable via their own narrow and exclusive networks³⁷ (Creswell, 1994). The usage of government documents, research reports, Hansard, semi-structured elite interviews, and archival records all comprise a multi-pronged approach to sourcing data, a critical tell-tale sign of case study research that guarantees data credibility (Baxter and Jack, 2008, p. 11).

Selection of Informants

The identification of potential informants commenced with a search on the websites of the concerned state departments i.e., the policy custodians for the key documents under investigation, namely; the National Treasury and the Reserve Bank for the GEAR strategy; the Department of Basic Education for the NFS policy and the Department of Energy, Eskom and municipalities for FBE policy. The search targeted senior public servants in the policy units of the respective state departments. Requests for interview letters were thus sent either to specific officials associated with either of the policies or to the highest office in the departments i.e. the Directors General offices via email.

³⁶ Epistemology refers to the theory of knowledge or knowing, it asks questions about the construction and meanings of knowing (Scotland, 2012, p. 9).

³⁷ These types of informants had to be identified using their exclusive traits (Denzin and Lincoln, 2011).

Additional names were obtained through some of the policy documents, for example the GEAR document lists the names of the technical team responsible for the formulation of the strategy on its acknowledgements page. A follow up was made with a Google search on each of the names whereby email addresses were sought and interview request letters sent. This research study was initially faced by a major challenge of accessing elite informants and government records especially minutes of meetings. The elites in particular, as prominent and influential people in possession of professional expertise proved to be difficult to locate and very busy (Marshall, 2006).

Anonymity of informants was guaranteed upfront during the interviews despite the fact that most of them are well known public figures. Some names of potential informants were lifted from the publication 'Season of Hope' (2006) by former Presidency economist Allan Hirsch. Initial contact was made with several officials in the Presidency as well as with academics at the University of KwaZulu-Natal.

Other informants were identified through the publication by Zavaree Rustomjee (former Trade and Industry Director General) and Ben Fine co-authors of the popular text 'Minerals and Energy Complex, A Political Economy of South Africa' (1996). Other potential informants were identified through the ANC website e.g. current and former heads of the ANC Policy Unit. Once again email addresses were obtained and request letters sent. The elite informants were subsequently classified into four broad categories; macro-economic policy (The Central Bank or South African Reserve Bank-SARB and the Department of Finance, better known as the National Treasury); education (The national and provincial education entities, the Department of Basic Education-DBE, Department of Higher Education and Training-DHET, and mostly university level Education Researchers), electricity (Department of Energy, Eskom, SANEDI, Municipalities) and executive oversight (The Presidency).

It has been established that elite informants are usually in high demand for their views in research and as such would be exhausted from related requests making them reluctant to participate (Dexter, 2006). On the latter note, this research initially struggled to secure interviews but later things came together and high success was registered.

Earning the trust and affinity of elite informants, more than anything, seem to be the biggest challenge (Mikecz, (2012, p.1). A background desk-top investigation about the informants was conducted before the actual field work was undertaken. The onus is upon the researcher to devise creative ways of gaining access to elite informants and this demands extensive planning from presentation of self to acquisition of contacts (Odendahl and Shaw, 2002). Good fortune comes in handy when ones engages in research (Odendahl and Shaw, *ibid.*). A holistic background check on the informants, their professional resume, preferences for the interview, and overall disposition becomes helpful for ensuring a successful encounter (Mikecz, 2012, p. 4). Additionally, the researcher paid all the required attention to the planning of the logistics regarding the interviews and field work save for one occasion where an interview could not be honoured due to financial challenges.

Data Collection and Timing

This study entailed usage of primary data sources via semi-structured elite interviews whilst the sourcing of secondary data depended on the analysis of various documents and literature. Since this is a qualitative study that involves historical reflection on policy formulation, process tracing became an important tool (Collier, 2011, p.823). The researcher put sufficient time aside in anticipation of various glitches including access and logistics challenges spreading the field work schedule over a period of twelve months. Preparations for the fieldwork included applying for a research fellowship with the Institute of Global Dialogue (IGD), University of South Africa, Pretoria. The research fellowship was a non-paying placement within the university community and was meant to commence in February 2014 for a period of six months. The application for the fellowship was approved in August 2013 by the institute director Dr Siphamandla Zondi. The researcher also had an unplanned visiting academic placement with the University of KwaZulu-Natal, Edgewood College of Education which lasted from November 2013 to February 2014. The field research has been divided into two phases; first, there is a period that follows the Board Review after August 2013, and second, there is a period after the supervision meeting of 29 April 2014 in Edinburgh.

The field work period was also marked by attendance of the Centre of African Studies' 'Twenty Years of Democracy in South Africa' conference at St Anthony's College, Oxford University, where the researcher presented a paper on 24 April 2014. One important milestone in the second phase of the field research was following and participating in the South African general election of 7 May 2014.

Field Research, Phase One: 01 October 2013- 30 April 2014

Most of the early attempts at reaching key informants such as senior ANC leaders and government officials did not yield any positive results. Whilst a request for an interview with the ANC Treasurer had been secured, logistical problems were encountered as the researcher had to travel from Durban to Johannesburg within a short space of time. This first critical interview subsequently did not materialize. In early November 2013 the researcher came across a gentleman at a Pinetown gym, Durban. The individual happened to be an academic at the University of KwaZulu-Natal's (UKZN) Edgewood College of Education.

An arrangement was quickly made for the researcher to come to Edgewood College where he was introduced to the head of the school and subsequently allocated a visiting academic's office. The Edgewood College experience exposed the researcher to the library where there were numerous publications, dissertations and theses on education. The historical material proved to be of good use for the No Fee Schools case study. The library was well resourced on historical documents on education history and the staff was quite helpful.

The next targeted informant was an academic at the UKZN, one of the leading commentators on public policy and a co-author of the Reconstruction and Development Programme (RDP). The university website provided all the necessary details for contacting the informant. The academic invited the researcher to one of his seminars. The seminar was well attended, the researcher had a brief chat with the academic on the research study and he promised to avail himself for a proper interview. The academic suggested the addition of free basic water as one of the case studies since it constitutes one of the free basic services. Subsequent attempts to meet with the academic proved unsuccessful despite securing an appointment at his office, he proved to be very busy to honor the appointment.

The academic however furnished the researcher with lots of his articles including soft copies of two of his books. The academic also suggested meeting at a pub for a casual chat however that appointment as well as a proper interview meeting never materialized.

In between the attempts to secure interviews, the researcher continued to work on improving the literature review. During this time the researcher also met with one of the supervisors in Johannesburg, Professor James Smith, who was visiting South Africa towards the end of the year. Another task that kept the researcher occupied was preparing a paper on 20 years of democracy in South Africa; the paper was later submitted and presented at a conference at St Anthony's College, Oxford University, 24th April 2014). At the end of February 2014 the researcher moved to Pretoria to join the Institute of Global Dialogue (IGD) at the University of South Africa. Dr Siphamandla Zondi, the executive director was the important person to contact. The time at the IGD led to the researcher to several contacts including those of the former governor of the Reserve Bank, the former Minister in the Presidency, as well as to the former Deputy Director General at the Presidency and head of the Thabo Mbeki Leadership African Leadership Institute (TMALI).

The TMALI was on the same floor as the IGD at the University of South Africa and this made access to its informant quite stress-free. The researcher was accordingly able to secure an appointment with a former economist at the Presidency, in early March. This was actually the first proper interview in the whole of the field period. The interview was held at a restaurant in Lynwood, Pretoria East. As indicated in the request letter, the interview took about an hour and a Dictaphone was used to record the proceedings, the interviewee did not have a problem with being recorded. Following the interview, the informant provided a list of important contacts of officials and politicians that had worked on the key policy documents such as GEAR and the RDP. Follow up attempts were made with the potential informants as suggested but the results were mostly negative.

As already indicated, this period was marked by political campaigns as the country was gearing itself for its fifth general election. The researcher joined forces with a friend attending several ANC branch meetings and trying to locate potential informants.

Several ANC meetings were attended around Johannesburg including an ANC gala dinner at Mogale City, West Rand, where former Minister of Finance Trevor Manuel was the key note speaker. During the questions and comments segment of the evening the researcher asked Mr. Manuel on the evolution of ANC macro-economic policy from the transition period beginning with Ready to Govern (RTG) up to the National Development Plan (NDP). Once the event was concluded the researcher accompanied Mr. Manuel out of the town hall, introductions were made as well as a verbal interview request, and the researcher also furnished the potential informant with a business card. A few weeks later there was another ANC gala dinner at Caesar's Palace, Johannesburg, an ANC Economic Policy Committee politician who was also part of the National Executive Committee (NEC) was the main speaker. Efforts were made to secure an interview with the potential informant including an exchange of business cards. Several follow ups in terms of phone calls and emails were made with the latter individual but no appointment was secured despite all the promises made.

Field Research, Phase Two: 01 May 2014 -15 November 2014

The first phase of the field research had been characterized by an air of anxiety in the build up towards the election. Most of the potential informants were thus unavailable as there was a lot of campaigning across the country. During the time at the IGD the researcher had started having informal conversations with the former Deputy Director General at the Presidency's policy division better known as Policy Coordination and Advisory Service (PCAS) who had since joined Unisa heading the Thabo Mbeki African Leadership Institute (TMALI) at the University of South Africa. An interview was finally secured with the informant on 05 July 2014. The interview lasted an hour and a half followed by a casual chat and sharing of names and contacts of other critical informants at the Presidency and other government departments. This second interview proved very fruitful as a handful of contacts were secured, a few contacts at the Presidency were identified. The informant also shared some of his publications, articles and book chapters which were relevant for the literature review and background to the macro-economic policy case study.

Around the same time two more interviews were conducted at two national departments, namely, Basic Education (DBE) and Energy (DoE). The interview with DBE officials ended up being a meeting where generic information was shared on the background and implementation of the No Fee Schools policy as both officials had only joined the department after the policy had been promulgated. Requests for minutes of meetings whereby the policy had been discussed could not be supplied as they were apparently classified as confidential departmental documents. Nevertheless, the officials pointed the researcher to a handful of critical individuals who had worked on the policy such as the one Deputy Director General (DDG) based at the Department of Higher Education and Training (DHET), an economist at the University of Stellenbosch who had worked for and later consulted at the Department of Basic Education, an activist and academic at the University of Johannesburg School of Education, as well as an official at the National Treasury's Budget Office. Other shared contacts were those of two retired DBE officials and another who had since joined the Western Cape Education Department.

One retired official was located via email and telephone but declined to be interviewed. The other two were never located, emails were not returned. Nevertheless, the DDG at the Department of Higher Education who had been identified as the main person or architect of the No Fee Schools policy was located and an interview held. Another important meeting at this juncture was with the CEO of the Centre for Education Policy Development (CEPD). An internet search led to this important organization and an interview request letter was sent. The CEO provided a critical historical background on education and the transition period reflecting on important milestones, conferences, meetings as well as key personalities. Several critical documents were shared including the ANC Education Policy Framework or the 'The Yellow Book' as it is popularly known. This meeting provided a road map on most important role players in education policy formulation in South Africa such as one academic and activist as well as on the genealogy of the NFS policy.

One Google search resulted in South African Reserve Bank documents with important contacts on the formulation of GEAR. The documents contained email addresses of senior Reserve Bank staff such as two advisors to the Governor of the Reserve Bank.

Interview request letters were sent and interviews soon granted by executive assistants to both informants. A request letter had earlier been sent to the office of former National Treasury Director General who had since become the Chief Executive Officer (CEO) of Barclays Africa. The executive assistant to the CEO of Barclays Africa returned an email with a date for an interview after about four months of waiting and three postponements. An interview was held with the former Treasury Director General at Barclays Africa offices, Johannesburg, the interview lasted for about an hour. The researcher further requested the CEO to put in a word to the former Minister of Finance for an interview, she promised to follow up on the request. An attempt was made to also locate the former head of PCAS at the Presidency but in his email responses he claimed not be familiar with any of the policies and referred the researcher to head of the TMAILI (Unisa).

One afternoon in July 2014 a researcher from the Mapungubwe Institute of Strategic Reflections (MISTRA), was a guest on Power FM, a talk radio station in Johannesburg, and he spoke on working on the RDP document. A search on the MISTRA website resulted in his contacts, an interview request was sent and an appointment secured. The interview with the researcher was held at a restaurant in Morningside, Johannesburg and it proved very insightful on the early policy ideas of the ANC in exile, the transition period and the formulation of the RDP document.

On 08 July 2014 an interview was conducted with a director at the Department of Energy. The director had been part of the task team responsible for the background research study to the FBE policy around 2000. The task team was accordingly assigned to develop the FBE policy for submission to the Ministry of Minerals and Energy. The meeting with the director lasted only for about thirty five minutes as he was having a busy schedule. The meeting proved fruitful nonetheless as the informant was able to share important documentation and contacts. The informant shared contacts of fellow task team members including those of research study leader, an academic with the department of engineering at the University of Cape Town³⁸. This meeting led to other task team members from Eskom, the power utility, and the South African National Energy Development Institute (SANEDI).

³⁸ The Basic Electricity Support Tariff, which was both targeted and holistic, had been developed by a team of 17 experts including engineers, finance people, environmentalists, medical personnel and social specialists (Gaunt, 2003).

A Google search resulted in email addresses of the latter two potential informants and interview request letters were sent. The same search resulted in a municipal energy conference report which had a list of participants appended. The latter report had telephone numbers of municipal officials responsible for electricity in municipalities across the country. The contact numbers were then put use as the researcher started tracing and calling the potential officials from three metropolitan municipalities based in Gauteng province, namely, Ekurhuleni, Johannesburg and Tshwane. Attempts to locate the study leader, the University of Cape Town (UCT) professor, were unsuccessful.

Interviews with the officials from Eskom and SANEDI were soon secured. Around the same time interviews were secured with officials from the Tshwane and Johannesburg Metropolitan Municipalities. The interviews with municipal officials proved extremely useful and provided insight and nuances on the implementation of the FBE policy amongst municipalities. Efforts to locate officials from Ekurhuleni Metro and City Power, the Johannesburg Metropolitan Power utility, proved unsuccessful.

An interview was held with one DDG from the Presidency. This was one of the most successful and pivotal interviews. This interview provided a critical historical background to policy formulation within the ANC as well as a reflection on policy implementation from successes to challenges faced by government including the impact infighting within the ANC had had on policy implementation. The interview lasted for about one and a half hour. The Deputy Director General shared several contacts including those of former Minister of Finance, former President, one Deputy Governor of the central bank, and previous Gauteng education Member of the Executive Committee (MEC).

In the meantime another meeting was held with former Governor of the central bank. The Governor Emeritus had postponed the meeting twice. He initially invited the researcher to his home and farm in Limpopo province for the interview and since the place was far from Johannesburg, he offered overnight accommodation. The researcher opted to wait for the informant until he was back at his Johannesburg office as travel to Limpopo would have been costly.

The meeting was initially scheduled for 10:00 am at his offices in Sandton but was later postponed to 13:00 at a nearby restaurant due to an urgent meeting that came up for the Governor Emeritus earlier that morning. Another meeting was held with a Chief Director of the Gauteng Department of Education at the city centre in Johannesburg. The meeting was important for the implementation of the NFS policy in Gauteng. Since the department had also granted permission for the researcher to visit schools to interview principals on the NFS policy, about 30 schools were visited mostly at random. A list of schools around Pretoria, Tshwane South, East and West was secured from the departmental website.

In August an interview was held with one education consultant who had worked as an economist at the national office of the Department of Basic Education in Pretoria. The duration of the interview was about one hour and proved successful. The informant shared a few documents on the background to the No Fee Schools policy but also insisted that the most relevant person to the study was the DDG of the DHET who had worked at the Department of Education (later to be known as Basic Education) before the restructuring which split it into basic and higher education. Attempts were made to contact the office of the DDG an appointment was secured.

Around the same time another meeting was held with an official from the Budget Office at the National Treasury. The interview went well despite technical glitches of a Dictaphone running out of battery after which a mobile phone was quickly deployed to record the rest of the interview. The informant provided an elaborate process of the budget formulation and policy implementation and this straddled several policy areas, education, electricity, municipal finance and national budget. The interview was quite enlightening; several National Treasury documents were also availed in hard copy as well as web links. The official also pointed at other relevant people such as the DDG of Higher Education and an academic and activist at the University of Johannesburg.

An interview was subsequently secured with the DDG of DHET. This meeting with the DDG lasted close to two hours. Again the interview proved very informative, providing a historical background to the NFS policy instrument and the South African Schools Act of 1996.

As it will be revealed in the succeeding empirical chapter on NFS, there was a study conducted during the time of Minister Kader Asmal and the report of that study provided background to the NFS policy.

Many attempts were made to reach other stakeholders within the education sector, for example interview request letters were sent various School Governing Bodies (SGBs) associations. Only one interview was held with the leader of the South African National School Governing Bodies Association, the chairperson of one of the existing umbrella organizations for SGBs in the country. The informant, who was also with the teachers' labour movement, the South African Democratic Teachers Union (SADTU), shed light on the background to the NFS policy, the role of the union and communities in the implementation of the policy and governance in schools.

The former MEC for education in the Gauteng Province also returned a text message and agreed on an interview. The interview was scheduled for September in Parktown North, Johannesburg. The meeting was held at a restaurant during a book fair. The place was quite busy and noisy but the meeting went very well and the Dictaphone captured everything accordingly. The interview was critical for the NFS policy, providing the historical background on education reforms and the last days of the apartheid education system. The interview also provided an inner perspective on ANC education policy and its committees, conferences and on how most education policy decisions were made.

A meeting was also held with an activist and academic of the University of Johannesburg. This interview provided a perspective on the culture of activism, human rights and education policy from a civil society point of view. The informant shared a critical account on campaigns and position papers towards free education in South Africa, including submissions to the Truth and Reconciliation Commission on education and injustices of apartheid as well as the role of international organisations such as the World Bank. It was quite an in-depth and rich discussion on education history, the backdrop to free-education, norms and standards and the NFS policy instrument.

Attempts to secure an appointment with former President Thabo Mbeki proved unsuccessful after about a ten month period of waiting. In September two interviews were held in one day.

At 9:00am a meeting was held with a past Director General of the Department of Trade and Industry and co-publishers of the famous book 'Mineral and Energy Complex: A Political Economy of South Africa' (1996). The meeting was a success, providing important South African context and inner workings of the processes of the macro-economic policy from the RDP to GEAR, ANC economic policy and neoliberalism. At 13:00 another meeting was held at a restaurant in Killarney Mall with a former Minister of Finance.

The interview was a success, very informative particularly on the development of the RDP and GEAR documents as well as on the processes of transition, the negotiations and ANC conferences after the unbanning of the movement in 1990. The meeting provided a critical account on the emergence of GEAR and the tensions that ensued between senior leaders of the ANC, the SACP and COSATU.

Other meetings followed around September 2014, for example the office of the former Minister in the Presidency finally agreed on an interview and apologized on the delay. An interview was held with the informant at his home in Johannesburg. The meeting lasted for about two hours as the former Minister in the Presidency related a broad as well as detailed history on each of the policies especially the RDP.

The informant also shared contacts of other critical potential informants such as those of former trade unionists who had been with COSATU but later joined business. A follow up was made with the trade unionist's office and a meeting was scheduled. The meeting with the trade unionist was held at his company's Sandton offices, he provided a trade union perspective on the transition and the formulation of the RDP and GEAR. Correspondence confirming an appointment was returned by support staff of a previous President of the Republic. The interview with the former head of state took place at the famous Lilliesfarm, site of the arrest of ANC members in 1963 leading to the Rivonia Trial with most senior leaders including the late former President Nelson Mandela. The site is now a museum and also houses ANC offices. The meeting lasted for more than one and a half hours and provided a historical insight into policy formulation as well as on current challenges faced by the ANC government.

During the same month a meeting was secured with the Deputy Governor of the Reserve Bank.

This meeting proved critical as it provided an inner perspective to the National Treasury and the Reserve Bank, the engine rooms of the macro-economic policy. The experience also shed light on ideological outlook that informs macro-economic policy and planning cycles of the Reserve Bank, including monetary policy as well as on policy formulation in general within government as the informant had participated in the formulation of most policies from the RDP to the National Development Plan (NDP).

By the beginning of October a sizable number of interviews had been secured. The researcher then moved to Cape Town for a period of two weeks. The time in parliament yielded one interview with the parliamentary office of the ANC where a researcher was interviewed on policy formulation within the ANC. The rest of the two weeks was spent securing Hansard reports from the parliament library. Since most reports from before 2003 had not been digitized, the researcher had to make copies on the relevant material on the RDP, GEAR, FBE and NFS policies. Around this time a meeting was also held with an administrator at the Parliamentary Monitoring Group (PMG), an independent organization that monitors parliament proceedings and packages them in electronic format. This provided the researcher with access to well documented reports on debates and other proceedings in both houses of parliament, the National Council of Provinces (NCOP) and the National Assembly (NA).

The researcher also held an unplanned meeting with an official working with the coordination of the portfolio committees in parliament. The meeting was held at Marks Building and proved useful on elucidating on the policy process from the executive to legislature, the work of the portfolio committees and the upper house, the National Assembly. Towards the end of October the researcher visited the National Archives in Pretoria. Only a few documents proved to be useful and these were historical documents such as the Freedom Charter of 1955 as well as the RDP.

Most other material had not been digitized and document searches led to other resources such as the National Library of South Africa in Pretoria as well as the Helen Suzman collection of papers at the University of the Witwatersrand's William Cullen Library.

A visit to the National Library in Pretoria provided additional material on the Hansard reports which was actually a repetition and supplement to the work already conducted at the parliament library in Cape Town. The researcher soon visited the William Cullen Library at Wits University pursuing other archival materials. The library assistants were quite friendly and helpful. The researcher managed to copy archival materials on the ANC, and other documents from the Helen Suzman collection.

A recommendation was made by the library assistant for the researcher to visit the University of Fort Hare where a larger archive on ANC documents from exile was housed. Time and financial constraints prevented the researcher from making any further searches at this point. Additionally, the acquisition of material and interview data had already reached a saturation point with most important informants and documentation already secured.

3.7 Data Reduction and Analysis

Researchers use their discretion on what to investigate including all other decision-making that encompasses the research process, what is retained, what is discarded and what is critical to make it to the final draft (Creswell, 2009). Indeed the researcher makes the final decision on what is published based on their interests but the informant also has control over what constitutes shared output (Morris, 2009). Meaning-making and interpretation are to an extent influenced by what is finally published by the researcher (Morris, *ibid.*). Data analysis can therefore be a challenge³⁹ in dealing with responses from elites.

Data interpretation has indeed been identified as one of the foremost challenges with elite informant findings (Lilleker, 2003). For example, elite informants tend to be the only people privy to inner workings of their environments, as certainly it was the case with policy formulation under investigation in this thesis, and therefore it poses a challenge when it comes to corroborating the views of these exclusive individuals. Even amongst themselves, these elite informants can have variegated interpretations of the very same processes they partook in (Lilleker, 2003).

³⁹ However it is up to the researcher to avoid their own biases when dealing with informants' output and the highest level of objectivity should be attained especially once data analysis commences (Creswell, 1994).

These individuals have a privilege of having an insider perspective and are able to present information in a biased manner depending on their preferences (Lilleker, 2003, p.211). These biases are difficult to handle but the researcher can still devise ways of overcoming them (Lilleker, 2003). There should be ways of balancing things between informant views and factual information but this seems a challenge when investigating areas in which little research has been conducted before (Lilleker, 2003). It is advisable to always corroborate findings thoroughly by employing other primary and secondary sources (Lilleker, *ibid.*).

This research study was able to acquire primary data through a substantial number of interviews (totalling 68) with very senior politicians, state bureaucrats and academics. The total number of proper elite informants was 38 and this was supplemented by an additional 30 informants who are street level bureaucrats especially in the field of education. As already indicated, this thesis utilised secondary data material comprised mainly of Hansard reports, government reports, legislation, academic publications as well as archival materials. The different data sources were sufficient to corroborate by comparing and contrasting secondary data with the primary data that emerged from interviews. It has been contended that an authoritative assortment can be achieved when a researcher incorporates elite interview findings with secondary data (Richards, 1996). Researchers should be cautious to use elite interviews only when it is an absolute necessity, this should be specific to a study that this demands this method, and this thesis certainly falls within that category (Richards, *ibid.*). It is very uncommon to find a study that only depends on the elite interview method (Richards, 1996). Accordingly the research study should avoid relying on any single informant's views without corroboration (Lilleker, 2003). Any final decision should be justified with clear and credible criteria (Davies, 2001, cited in Lilleker, 2003, p.212).

This thesis has thus reduced data through the generation of themes. When isolating themes out of findings one should approach the task by methodically recognizing five issues (Ryan and Bernard, 2003). This includes the actual determination of themes and sub-themes, definition of their fundamental features and outer dimensions, constructing their pecking order, and finally connecting them to the body of text and theories (Ryan and Bernard, 2003, p.54).

There are at least three rules for studying themes (Opler, 1945, cited in Ryan and Bernard, 2003, p.54). First, it is only through analysing data that the researcher can realise themes and thus it is important to group expressions into themes in order to extract meanings (Ryan and Bernard, 2003). Second, culture is composed of connected themes, their variations can include explicit and shared themes, symbolic themes, implicit themes, whilst eccentric themes also exist ⁴⁰ (Ryan and Bernard, 2003). As themes emerge from data they can be inductive but when themes are influenced by people's prior knowledge of the study subject they can be deductive (Ryan and Bernard, *ibid*, p.55). The fundamental traits of the phenomenon under observation provide a priori themes (Ryan and Bernard, 2003, p.55). For the purposes of this thesis a priori themes come from the literature review and broadly relate to state autonomy, state bureaucracy, policy change, South Africa's historical context as well as public policy ideas.

3.8 Limitations, Bias and Ethical Considerations

It is required of a researcher to willingly outline their own biases in a study (Creswell, 1994). Within this chapter the positionality of the researcher has been articulated. The everyday observations, sentiments, and other experiences on the field were documented in a diary and have accordingly been expressed within this chapter as efforts to build credibility for this research. This study was conducted in accordance with research guidelines of the School of Social and Political Sciences, University of Edinburgh. The researcher and informants were all treated ethically as required by the university guidelines, all forms of necessary protection of individuals were provided including anonymity in the presentation of findings.

Problems and Limitations

As already argued an interview has its shortcomings and cannot be deployed as the only tool of investigation (Lilleker, 2003). In this study elite interviews were thus complemented by secondary sources of data (Lilleker, *ibid*.).

⁴⁰ Each theme has to be monitored across contexts; this involves how it is controlled and enforced (Ryan and Bernard, 2003). The prominence of each theme is observed from its emergence to how it is received, its dominance, and how people relate to it including regard expressed towards it (Ryan and Bernard, 2003, p.55).

This study has employed a multi-dimensional strategy comprised of primary interview data, Hansard reports, government reports and academic publications. A total of about 68 interviews were held including 30 with school principals. Initially funding seemed like a formidable impediment to this study. All of the set targets for this research were attained within budget and schedule. All of the set objectives for this research were attained within budget and schedule.

3.9 Conclusion

This research methodology chapter begins with addressing generic research design issues which guided the process of data collection. Through the discussion on the extended case study method the researcher reveals his own personal journey through the public service and research experience which was critical and instrumental to his own manoeuvring across the different state departments. Most importantly, the latter segment reflects on social history and positionality of the researcher. An elaborate account on field research is proffered detailing what transpired over the period of twelve months in South Africa. Beyond the researcher's positionality that is detailed narration of what transpired in each fieldwork site.

The slow pace at attaining interviews was a challenge but taught the researcher persistence in attempts to reach out to potential informants. The placement at the University of South Africa as a Visiting Research Fellow was advantageous as it situated the researcher at a strategic institution with proximity to academics and bureaucrats around Pretoria. The chapter also zeroes into the staple research design issues such as data reduction and analysis.

This chapter is a critical building block towards the empirical chapters and each chapter's analytical contribution as it provides the methodological background to narrative justifications and the entire study. The elite narratives are at the core of conjunctural state autonomy as the following chapters will reveal.

Chapter 4 The Macro Economic Policy Framework: The Case of the Growth, Employment and Redistribution (GEAR) Strategy

4.1 Introduction

The post-apartheid South African government introduced the Growth, Employment and Redistribution (GEAR) Strategy in 1996. The main objective of this chapter is to undertake an empirical analysis of policy development by exploring narratives of elite informants who were involved in the process. These narratives focus on the formulation of the GEAR strategy, the macro-economic framework, during the first term of the democratic dispensation (1994-1999) and provide justifications for policy positions undertaken as expressed by senior bureaucrats and politicians. Most importantly, through the narrative justifications of elite informants, the historical context and the dominant ideas of the time, this chapter provides the first case study whereby politicians and bureaucrats exercise relative state autonomy. The result is a new configuration termed ‘conjunctural state autonomy’ which becomes the major organising concept of this thesis. As this chapter outlines the emergence of the policy, major instrumental changes that occurred during the period are traced via narrative justifications of elite informants beginning with the preceding period of transition where several key policy documents that serve as precursors to GEAR and containing the broad policy goals and ideas, were formulated.

This chapter presents a detailed chronological timeline providing the historical background and the series of events that triggered change through primary and secondary data. In its quest to illuminate milestones in the formulation of the policy, this chapter relies on elite informant accounts and supporting evidence is extracted from secondary data. Primary and secondary data are integrated to form a cohesive argument. The main analytical contribution of this chapter includes the introduction of the macro/micro heuristic tool that distinguishes the macro-economic policy framework GEAR from micro policies such as the FBE and the NFS. This binary of macro and micro places the macro-economic policy framework at the centre of the policy infrastructure. This heuristic also leads the thesis to a critical finding that paradigmatic shifts or third order change occurs at the level of the macro-economic policy framework resulting in an impact across the policy landscape.

The dominance and sustenance of the prevailing monetarist framework of ideas is a direct result of the lack of alternative economic policy paradigms to discredit and delegitimise monetarism. With regards to institutional arrangements, the National Treasury and the Reserve Bank become the pivotal institutions at the centre of relative state autonomy. This thesis focuses on the instrumental role played by public officials in its introduction of the concept of conjunctural state autonomy. Through the exercise of relative state autonomy bureaucrats are able to create macro-economic stability and other forms of incremental change whilst adhering to the dominant monetarist paradigm.

Firstly, in outlining the origins of GEAR, this chapter extracts narrative justifications of the policy process focusing on milestones from elite interviews from the foremost architects of the policy. Testaments have been uncovered from senior government officials and politicians at national level, i.e. The National Treasury, the central bank or the South African Reserve Bank (SARB), the Presidency, and the Parliament of the Republic of South Africa as well as Trade Unions.

Secondly, this chapter outlines the types of incremental change that have occurred towards the existence of the policy and its consequent promulgation. Again it relies on primary data garnered from the key informants and supportive secondary data which include archival material and Hansard reports to detail the developments and conditions that precipitated policy change.

Thirdly, this chapter is based on and guided by the research design, i.e. Chapter 3, which articulates the major and subsidiary questions of the research study, which inter alia, ask *“How is Public Policy Formulated in the Post-Apartheid South African State?”*

As a synopsis, this chapter seeks to trace, inter alia, three major forms of change, namely; the nexus of policy goals, policy instruments and institutional arrangements that facilitated the developments that gradually emerged and eventually culminated in the introduction of GEAR in 1996.

The major goal of stabilising the economy following transition and the first democratic election point towards marshalling various ideas and establishing the necessary institutional arrangements and policy instruments as deliberated upon over a prolonged period of about five years under tumultuous economic conditions. All of these efforts were to culminate in the GEAR policy in 1996.

As this chapter narrates, the entire process was an arduous task of balancing and juggling policy goals, designing policy instruments as well as putting institutional arrangements in place. This chapter shall conclude by also reflecting on policy amendments that occurred in the aftermath of the GEAR policy in the succeeding period after 1996.

Macro-Economic Policy Framework and Related Public Policy Timeline	Year
1. The Currency and Banking Act (Act No. 31 of 1920)	• 1920
2. The Bill of Rights (ANC, 1923)	• 1923
3. Africans' Claims (ANC, 1943)	• 1943
4. Freedom Charter (ANC, 1955)	• 1955
5. Constitutional Guidelines for a Democratic South Africa (ANC, 1988)	• 1988
6. South African Reserve Bank (Act No. 90 of 1989)	• 1989
7. Ready to Govern (ANC, 1992)	• 1992
8. Macro-Economic Research Group (ANC, 1993)	• 1993
9. Constitution of the Republic of South Africa (Act No. 200 of 1993)	• 1993
10. Reconstruction and Development Programme (ANC, 1994)	• 1994
11. Reconstruction and Development Programme Fund Act (Act No. 7 of 1994)	• 1994
12. White Paper on Reconstruction and Development (Notice No. 1954 of 1994)	• 1994
13. Constitution of the Republic of South Africa (Act No. 108 of 1996)	• 1996
14. Growth Employment and Redistribution Strategy (RSA, 1996)	• 1996
15. Public Finance Management Act (Act No.1 of 1999)	• 1999
16. Local Government: Municipal Finance Management Act (Act No. 53 of 2003)	• 2003
17. Accelerated and Shared Growth Initiative of South Africa (RSA, 2006)	• 2006
18. New Growth Path (RSA, 2009)	• 2009
19. National Development Plan (RSA, 2012).	• 2012

Figure 1.

4.2 The Growth Employment and Redistribution (GEAR) Strategy: Defining the Policy Instrument

The Executive Deputy President Thabo Mbeki declared the inauguration of a new macro-economic programme on 14 June 1996. The aim of the new programme was to implement the goals of the RDP through growing the economy by 6% per annum and creating 400 000 employment opportunities by the year 2000, this was the state's way of changing its' approach to economic management, 'shifting gear' (Hansard, 14 June 1996, p.3045-3046).

On the very same day in June 1996, Mr Trevor Manuel, the Minister of Finance (and Member of Parliament), proclaimed South Africa's new macro-economic policy framework entitled *Growth, Employment and Redistribution (GEAR): A Macro-Economic Strategy* (Department of Finance [DoF], 1996b; Hirsch, 2008). The GEAR strategy presented a broad socio-economic vision for South Africa covering a wide range of issues including health, education, economic growth, poverty eradication, income redistribution, basic services, housing, employment creation, and all this was to be realised by the turn of the millennium (DoF, 1996b, p.1). In observance of the objectives of the Reconstruction and Development Programme (RDP) (1994), GEAR was placed as a cohesive policy (DoF, 1996b). According to government, GEAR would facilitate the execution of the RDP in a comprehensive manner and attend to basic needs whilst ensuring democratic participation by members of society⁴¹ (DoF, 1996b).

GEAR further outlined a sizeable number of core elements which included, inter alia, managing exchange rate depreciation, industrial rearrangement, containment of input prices and tariff reduction, inflation containment and steady monetary policy, competitive exchange rate, liberalisation of exchange rate, fiscal reduction and management of debt servicing, and a stronger redistributive expenditure focus (DoF, 1996b, p.2).

It is quite evident that GEAR attempted to be a comprehensive framework comprised of both macro and micro elements of economic growth and societal development.

⁴¹ It is also important to note that GEAR was couched as a five year strategic plan aimed at building capacity to position South Africa for global competitiveness, creating employment at 400 000 jobs each year, with economic growth targeted at 6 per cent each year by the turn of the new century (DoF, 1996b, p.1).

As the Minister of Finance argued, the new policy arose out of a need to improve the standard of living for all, and this entailed realignment of the macro-economic policy framework, social policy, asset restructuring, employment creation and wages, public investment and partnerships with all stakeholders (Hansard, 14 June 1996).

It is reasonable to claim that the appearance of GEAR had been signified formally earlier through, inter alia, the constitutional reform process and the Budget Review document of 13 March 1996. The Budget Review document announced the coming of financial and regulatory policy reforms of a major scale that would impact on resource mobilisation and public finance at both sectoral and macro levels (DoF, 1996a). It was stated in the Budget Review (DoF, 1996a, p.25) that the Reconstruction and Development Programme (RDP) (1994) set the foundation for a policy framework which was then being elaborated into a long-term strategy for the turn of the millennium to be presented as a *Growth and Development Strategy*. At the time of the Budget Review, March 1996, it was highlighted that detailed quantification and assessment of possible policies and programmes were still under way (DoF, 1996a, p.25). Three months later GEAR was introduced.

It is certainly notable that GEAR was a long-ranging integrated strategy that encompassed a wide array of reforms that entailed, inter alia, public service repositioning, budget reforms, fiscal reforms, industrial policy, trade policy as well as restructuring of state owned assets. GEAR asserted that a stable and competitive economy that protects currency value, supports local savings, investments and the rand's international buying capacity had to be founded on a prudent macro-economic policy (DoF, 1996b, p.6). The document also asserted that the strain on monetary policy could be alleviated via control of fiscal policy (DoF, *ibid.*). It has been argued that functioning of the entire economy is the remit of macro-economic policy (Dolamore, 2014). However, a former Director General of the National Treasury (September, 2014) stresses that macro-economic policies have very specific characteristics. "Macro-economic policy tends to be about much more narrowly defined things, the traditional components are about fiscal policy, monetary policy, and one may bring in there components about trade policies" (Former Director General, National Treasury, September, 2014).

“The traditional components of macro-economic policy could be defined as necessary but not sufficient conditions for either a Reconstruction and Development Programme or a National Development Plan” (Former Director General, National Treasury, September, 2014). Other commentators have posited that employment creation, viable and solid economic growth, wealth creation and enhanced living standards all hinge hugely on a favourable environment, and forming such a background is the key objective of a macro-economic policy framework (Dolamore, 2014).

Exchange rate, fiscal and monetary policies are considered to be the main components of the macro-economic policy framework (Dolamore, op cit.). Former Governor of the Reserve Bank (October, 2014) also argues strongly that macro-economic policy framework is fiscal and monetary policy. With a specific reference to South Africa, a Deputy Governor of the Reserve Bank (September, 2014) illuminates that from an institutional point of view, the three macro-economic functions, i.e. fiscal policy, monetary policy and exchange rate policy, are located between two institutions, namely, the National Treasury and the South African Reserve Bank (SARB). GEAR was certainly focused on the individual roles of these policy instruments and the dissimilar ways in which they would be employed to assist in promoting stable and sustainable economic growth.

In March 1996 the Department of Finance stated that economic progress was contingent on the instrumental role of the private sector and on the latter’s perceptions and vision on policy and the capacity of the economy (DoF, 1996a). It was claimed that South Africa had experienced an upward trend in foreign investment and global opinions were contributory in moulding investment patterns not only domestically but the world over⁴² (DoF, ibid.).

With regards to fiscal policy, GEAR took several strides to fulfil a stringent policy regime. It could be argued that GEAR did not necessarily introduce new policy measures but rather set new targets.

⁴² Around the transition period South Africa received a lot of attention and invaluable advice from various local and international players including the private sector, organised labour, political experts and this brought macro-economic policy under sharp focus (DoF, 1996a).

The new goals included reducing the budget deficit, decreasing the tax burden, tackling lack of savings within government, increasing government domestic investment, and reducing consumption expenditure, all as a response to fiscal challenges from 1992/93 whereby the overall deficit climbed up to 9,9 percent of GDP (DoF, 1996b, p.8). GEAR also aimed at eliminating government dissaving and claimed that progress had been made on this front (DoF, 1996b). During this period several adjustments were introduced to accommodate RDP priorities within the expenditure allocation⁴³ (DoF, *ibid.*).

Equally on the monetary policy front the target remained reducing the inflation rate and upholding financial stability (DoF, 1996b, p.11). According to GEAR total financial stability rested on positive real interest rates as a proviso (DoF, *ibid.*). Both employment creation and income distribution were contingent on low inflation which in turn depended on higher economic growth (DoF, 1996b).

GEAR contended the enriched industrial relations, reasonable income levels and control of domestic prices, came as a result of trade liberalisation (DoF, 1996b). Economic growth was adversely affected by stages of interest rates which had to be kept at positive levels to bolster investments and savings as the overall objective of monetary policy (DoF, 1996b, p.11). Furthermore, GEAR acknowledged that for most citizens property acquisition, which proved exceedingly unattainable, and small enterprises, relied on bank loans and were negatively affected by high interest rates (DoF, 1996, *ibid.*).

The budget was another important area where reforms were quite visible. GEAR placed the budget as the principal vehicle for safeguarding the delivery of social services (DoF, 1996b, p. 10). Consequently, social spending was prioritised with almost 50% of the budget allocated to housing, health, social development and education (DoF, *ibid.*). It was also envisaged that budget reform would accomplish the goal of redistribution.

⁴³ GEAR aimed at introducing a stringent fiscal regimen by alleviating savings constraint domestically and increasing export performance and investments (DoF, 1996b). In this way, the estate attempted to enhance domestic capital accumulation through releasing resources, reducing fiscal deficit (from 4,5 to 4 percent of GDP) at least by 1997 as well as five years thereafter (DoF, 1996b, p.8).

Redistribution of resources through state coffers became central to economic policy within the new dispensation⁴⁴ (DoF, 1996b, p.10). Going forward the ANC government planned to combine the new process of a yearly budget with a fiscal policy framework and the latter would accommodate vibrant newly conceived public expenditure trends and other priorities (DoF, 1996b, p.10). The numerous budget reforms culminated in the long awaited medium term expenditure framework (MTEF) in 1998.

4.3 The Democratic Transition and Economic Policy: 1990-1994

Apartheid proffered a varied economic legacy comprised of extremes of both poverty and affluence within the same polity (Habib, 2013). The South African economy was categorised as a 'higher middle income country' with developing economies such as Algeria, Argentina, Brazil and South Korea at the commencement of transition around 1989 (Cassim, 1988; Habib, 2013). The continent's most advanced infrastructure could be found in South Africa (Habib, 2013). Nevertheless, the country's human capital and capability potential was hindered by the subjugation and economic misuse of the black majority leaving the domestic market underdeveloped; fundamental to this was the inheritance of Bantu education which harmfully affected the economy (Habib, 2013, p.76).

The South African economy had grown by 6 per cent yearly in the 1960s and this growth rate had deteriorated to a sluggish 1.03 percent amid 1986 and 1991 (Marks, 1998, p.28). There was enduring and notable economic decline and in the 1980s a 15 percent decline in per capita disposable income was registered (Marks, *ibid.*). The increasing production costs and unprofitable extraction of low grade-ore and diminishing prices impacted on the mining sector which had for a long time been the backbone of South Africa's economy (Marks, 1998).

South Africa's President F.W. De Klerk unbanned the ANC and other political organisations in February of 1990 (Hirsch, 2008). The unbanning of political organisations was a direct result of joint domestic and international conditions according to De Klerk (Taylor, 2001).

⁴⁴ Government attempted to structure a comprehensive basic needs package for the poor and most vulnerable communities by elevating land reform, small business support and training, municipal infrastructure, education, social development and health within the proposed new budget (DoF, 1996b, p.10).

The negotiations in particular were profoundly spurred by the end of the Cold War between the West as a stronghold of capitalism and the socialist states in the east (Taylor, 2001, p.39). In agreement, Habib (2013) points out that the formal conclusion of the Cold War, the downfall of the Soviet Union, the resistance to late apartheid reforms and global realignments and economic integration, mutually defined the type of character the transition assumed. In addition, the expiration of populist support for international liberation movements and the Soviet Union's own political and economic crises became important factors (Taylor, op cit.). Progressive organisations such as the ANC lost both their material and ideological backing with the folding of the Soviet Union hitherto their critical lifeblood for sustenance (Davies, 1995, cited in Taylor, 2001).

It has been established that before the transition in 1990 critical arguments on economic growth were moulded by political power tussles that undergirded them (Terreblanche and Natrass, 1990). Within the debates it had been settled that apartheid confusingly and differentially obliged the interests of capital (Lipton, 1986 cited in Terreblanche and Natrass, 1990). The transition period was typified by a consensus that economic growth was a precondition for any meaningful realisation of the most important political and economic objectives departing from earlier conversations that attempted to explain whether apartheid promoted or inhibited South Africa's economy⁴⁵ (Ward, 1998).

The importance of economic growth had been confirmed by all but the debate on the modalities of achieving it continued (Ward, 1998). At this interval there was a contestation between two schools of thought on which path to assume for economic transformation (Habib, 2013). The National Party and its allies within capital became exponents for orthodoxy and a neoliberal economic programme and this constituted the first economic platform (Habib, 2013).

⁴⁵ State involvement in the economy formed a considerable part of the conversation at the time whilst a smaller portion was dedicated to economic growth (Ward, 1998). The acceptance of the importance of economic growth and foreign investment by the ANC within the debates was regarded as progressive by the National Party (Ward, 1998). All parties agreed that economic growth would be pivotal in delivering on basic needs for the masses and this acknowledgement went beyond seeing growth as critical for its own sake and for employment creation to seeing its larger role in the post-apartheid dispensation (Ward, 1998).

The privatisation of state-owned enterprises, deregulation of financial and labour markets as well as the integration of South Africa into the global economy formed the core part of this economic disposition (Habib, 2013, p.77). As part of the second platform, the Freedom Charter of 1955 was the source of inspiration and this strand of thought stressed ‘growth through redistribution’ (Habib, 2013, p.78). This was accordingly a social democratic platform characterised by a combination of a free market and, more importantly, a fairly socialist intent (Habib, *ibid.*). It bears stressing that up to the transition juncture the Freedom Charter and its tenet of nationalisation formed the staple of ANC economic policy or thought (Ward, 1998). Nevertheless, the vision was by no means coherently advanced (Habib, 2013).

The opportunity to officially present the economic vision of a post-apartheid dispensation came with the yearly gathering of the World Economic Forum (WEF) by the beginning of 1991 (Hirsch, 2005). The initial and socialist inclined WEF speech by ANC President Nelson Mandela was registered as a polemic due to its emphasis on the nationalisation of the South African economy (Hirsch, 2005, p.29). However, with the duration of the transition period and the attendant debates, the ANC’s disposition on economic policy evolved leaving behind its initial socialist slant (Ward, 1998).

The ‘Davos moment’ represented a fulcrum scenario for the ANC, at this interval the liberation movement had to choose a path to tilt towards. A former Reserve Bank Governor (September, 2014) alludes that in 1985 the ANC held a seminar in Lusaka, Zambia, and there it was resolved that the movement had to prepare its members psychologically for a new outlook as well as to embrace new realities. At the time things were conducted nonchalantly, even in their thinking there was laxity such as assuming that it was a foregone conclusion that socialism was ideologically the sacrosanct tenet of the movement as sung in struggle songs, ‘isocialism sizobuya nayo’ (we shall bring socialism home) (September, 2014).

The informant argued fervently that the ANC was not a socialist party, and the singing of such struggle songs whilst socialism was collapsing right before their eyes was absurd (Former Governor, September, 2014).

“Now, when it collapsed in front of your eyes, what do you do? What should you do now? This thing has collapsed in front of your eyes. That seminar came up with what we refer to as ‘Policy Guidelines for a Democratic South Africa’ (PGDSA)” (Former Governor, *ibid.*). Then Madiba (Nelson Mandela) comes out (of prison) and states strongly in Davos that nationalisation was the policy of the ANC, and that a change in that respect was not going to happen (Former Governor, September, 2014). The old man ‘tata’ (father) had to be reined in and be informed that whilst he was in prison in 1985 a document called the ‘Policy Guidelines for a Democratic South Africa (PGDSA)’ had been produced (*ibid.*). So it was important that somebody walked him through that document (September, 2014). Moreover, at the meetings in Davos, Madiba engaged with leaders of the Communist Parties of China and Vietnam. “They told him frankly as follows, ‘we are currently striving to privatise state enterprises and invite private enterprise into our economies, we are Communist Party governments and you are a leader of a national liberation movement, why are you talking about nationalisation?’” Now these were leaders of the Communist Parties of Vietnam and China, the point is that it was those decisive moments which made Mandela consider the need for the ANC to seriously rethink the issue of nationalisation (September, 2014).

It has been noted that policy paradigms hardly share a common standard whether technically or from a scientific perspective (Hall, 1993). Each paradigm tends to be rigid in its perception of the world as faced by policy-makers and thus it is difficult for proponents of one particular paradigm to be in agreement with a differing framework of ideas in terms of proposing a resolution to a policy-problem even in instances where they are utilising a shared body of knowledge (Hall, 1993, p.280). Scientific grounds in-and-of-themselves consequently do not suffice to form a basis for choosing between two paradigms regardless of whether views of policy experts evolve over time (Hall, *ibid.*). In other words paradigms proffer binary options; they fail to coexist and tend to be incompatible, exclusive, and mutually antagonistic.

The National Party attempted to unilaterally circumvent the negotiations process by issuing a proposal in September of 1991 to guide the new constitution which entailed power-sharing arrangements, values and principles, and protection of minorities right before the all-inclusive constitutional talks could start (Welsh, 2009).

However, the new constitution could solely be written by a democratically designated constituent assembly according to the ANC (Welsh, *ibid.*). The unilateral proposal was thus rejected by the ANC. The exceedingly demanding and prolonged constitutional discussions begun in early 1992 at the Convention for a Democratic South Africa (CODESA) (Jackson, 1998, p.5).

All parties involved had to accept compromises on their preliminary ambitions in the process as it became clear how daunting the negotiations were to be (Jackson, 1998). Following 1991, the International Development Research Centre (IDRC) of Canada initiated and sponsored a study in which the ANC's Department of Economic Policy (DEP) partook; macro-economic policy inquiry was placed at the centre of this process (Hirsch, 2005). As part of this IDRC process involving the ANC, the Industrial Strategy Project (ISP) was inaugurated via COSATU (Hirsch, 2005).

The founding of the Macro-Economic Research Group (MERG) in 1991 originated from a project situated at the Department of Economics of the University of the Witwatersrand in Johannesburg (Hirsch, 2005; Marais, 2011). According to a former Minister of Finance (September, 2014), the ANC worked on the Macro Economic Research Group (MERG) which was located at a number of universities with established academics and young South African masters students. The project looked at various aspects of the macro-economy; some of the work was done at universities abroad whilst another portion was conducted at local universities. There were several teams on the project, and they focused on different aspects of macro-economic policy such as inflation, labour markets, fiscal policy (broadly defined), intergovernmental fiscal relations, agriculture in the macro-economic sphere (September, 2014). Occasionally the teams would be convened to assess their progress as a collective (Former Minister of Finance, *ibid.*).

Former ANC Member of Parliament Ben Turok (2008a) reports that MERG which was to be published late in 1993 began with setting up 13 research clusters to formulate a macro-economic policy outline for a post-apartheid South Africa (Turok, 2008a; Marais, 2011). Marais (2011, p.103-107) notes that the neo-Keynesian MERG report, 'Making Democracy Work', proved asymmetrical to the prevailing thinking on economic policy within the ANC.

Marais (ibid.) further argued that at the time the most broad-minded and eloquent option at the country's disposal was the MERG report. However, the DEP was being accused of frustrating and sabotaging the work of MERG (Marais, 2011). Because of the threat that the MERG report allegedly posed to the dominant thought within the ANC, the media and mainstream economists were marshalled to sever the document (Marais, ibid.). As the left-wingers within the alliance were outclassed, the MERG report gradually lost favour and became defunct (Marais, 2011).

A former Finance Minister and member of the DEP (September, 2014) has however cited different reasons for the abandonment of the MERG report. According to this informant, the problem was that the macro-economic simulations which were at the back of the report and the chapters which dealt with all the other aspects of macro-economic policy did not correspond well, they were disparate papers, there were some economics in them but the macro-economic simulations were done separately (September, 2014).

According to another former DEP member (September, 2014), before the RDP, it is important to reflect on the MERG parallel to the RDP. The RDP was more of a popular extraction and articulation of policy intention, the actual detail and financial integrity of achieving all of that was to be found in MERG, it was probably the more vigorous attempt to try and ensure that these things were affordable as well as from a progressive point of view to really stretch the boundaries to redistribute (September, 2014). So you had the MERG group that did a lot of modelling, extraction of policy options, some of them quite radical, and this was running parallel to the RDP process. And along the line, that is why there was contestation, due to the context of the negotiated outcome, those that were in the decision making positions were trying to balance the interests that they saw themselves confronting, they did not adopt a number of the articulations of MERG, some of which were in the RDP but were in a softer kind of format (September, 2014).

The arrangement thus posed a problem and that was the MERG process (DEP member, September, 2014). Nevertheless, the MERG report was published in 1993 without the ANC pronouncing any further association with it.

In May of 1992 the ANC convened a policy conference at NASREC, Johannesburg, and published a report called 'Ready to Govern' (RTG) (Former Minister of Finance, September, 2014; Former Reserve Bank Governor, October, 2014). This was the ANC's first policy conference since the unbanning in 1990.

Before 'Ready to Govern' the ANC had numerous documents as attempts at coming up with a coherent policy framework. Meanwhile, COSATU was also running a parallel process where it was churning out policy documents (Trade Unionist, August, 2014). A senior economist from the DEP (October, 2014) was instructed to review the documents and provide a critique and subsequently a report titled; "ANC Policy Positions: A Coherent Whole or Mishmash?" was issued. The conclusion of the critique was that the policy documents were a hodgepodge of very poorly written and unprofessional documents, and this was notably part of the process towards 'Ready to Govern' (October, 2014). According to another DEP member (Former Finance Minister, September, 2014), the RTG conference was about announcing the confidence of the ANC to deal with responsibilities in government.

At the policy conference critical debates were held, key amongst these was the discussion of the economy, here ideas on the role of the state in the economy were debated. The conversation revolved around whether the role of the state in the economy should either be enlarged or reduced, and the conclusion was that the role of the state would be determined and be informed by the balance of evidence on a case by case basis, which was actually quite important because it marked a distinction from the clause of simply nationalising everything (Former Minister of Finance, September, 2014). After Davos the ANC became cautious about straightjacketing itself into ideological rigidities such as making categorical assertions of 'nationalising things'. That clause was arguably the epicentre of a nuancing of policy positions in the ANC from that point onwards, 'the balance of evidence on a case by case basis' (Former Minister of Finance, September, 2014). As one ANC economist (March, 2014) reveals, within the debates it was agreed that they would continue building national owned companies but on the other hand the resolutions introduced the notion of privatisation into the ANC discourse for the first time by stating that they would either increase or reduce the size of the state on a case by case basis or judge by its merits.

Generally speaking, 'Ready to Govern' was a fairly orthodox economic policy (ANC Economist, March, 2014). Another DEP member notes that the document in fact allowed ANC cadres to communicate their readiness to govern as well as other issues of engagement (Former Minister of Finance, September, 2014).

Ready to Govern was the movement's major policy document since the Freedom Charter of 1955. Within this document the ANC asserted that it was committed to eradicating the legacy of colonialism and apartheid by ensuring that; all South Africans attained and enjoyed their rights to economic and political self-determination, access to the economy, good life, and development of infrastructure amongst others^{46 47} (ANC, 1992, *ibid.*).

The commitments would be realised through delivering on a stable macro-economic policy framework that nurtures maintainable economic growth (ANC, 1992, p.20). A progressive tax regimen, reformed budget, and targeted expenditure would culminate in an overarching development plan devised via thorough consultation (ANC, *ibid.*). A former Governor of the Reserve Bank (October, 2014) maintains that the vital point which many people have missed is not focusing on 'Ready to Govern' which is by far the most imperative policy framework document. Ready to Govern could basically be considered to be the culmination of a long process of policy evolution in the ANC which was to find expression in the government programmes after 1994 (October, 2014).

⁴⁶ The ANC asserted that economic planning and coordination would be conducted by the democratic state in consultation with civil society, labour movement, and business to achieve sustainable economic (ANC, 1992, p.19). The document concluded by stating that attaining price stability and balance of payments equilibrium would form part of the larger macro-economic harmonising strategy (ANC, 1992). The principles of transparency, accountability, consistency and certainty would inform the policy process (ANC, 1992, p.19). In order to guarantee equality for the majority of South Africans, particularly the rural poor, housing, health, education, and social development would constitute the larger share of state expenditure within fiscal and monetary policy planning (ANC, 1992, p.20).

⁴⁷ The ANC suggested a two-pronged macro-economic strategy to fulfil its goals (ANC, 1992, p.19):

- It was important to put service provision at the centre of redistribution programmes in order to meet basic needs such as housing and infrastructure. The economy would be tailored to accommodate those who were previously excluded by availing all the necessary practical, legal and psychological requirements.
- The entire economy would be holistically restructured to facilitate sectoral development and growth in a sustainable manner.

Despite the fact that it had released the *Ready to Govern* document in 1992, Marais (2011) posits that the ANC was deficient of more than solid counter-arguments. There was no sturdy and formidable plan for reengineering a society that was structurally steeped in inequality and injustice despite the achievement of the applauded negotiated settlement (Marais, 2011, p.78).

In other words, the orthodoxy contained in the RTG was consistent with the prevailing ideology of the National Party at macro-economic level. Apparently it was this shortcoming that had prompted trade unionists to devise the Reconstruction and Development Programme (RDP) and this document was to form the foundation of the ANC's foray into the election contest just before 1994 (Marais, 2011, p.78). Immediately after the RTG Conference the ANC and its alliance partners, the South African Communist Party (SACP) and COSATU, held a meeting in about July 1992 (Former Minister of Finance, September, 2014). The meeting issued a directive that the DEP team should start working on a more comprehensive policy and assigned a person from each of the tripartite organisations to the team (Former Minister of Finance, September, 2014). The team ended up with Jeremy Cronin (SACP), Alec Erwin (COSATU) and Trevor Manuel (ANC) as a kind of trio to try and take that discussion forward beyond RTG (Former Minister of Finance, September, 2014).

The team started convening several policy departments together with the DEP whereby members were allocated areas of specialisation across the policy landscape such as human resources, health, education, urban policy, housing, etc. (Former Minister of Finance, *ibid.*). There were these little networks of people in the ANC working on different policy areas; they tried to stream all of these ideas in and out of those discussions and through this exercise they eventually had the bare bones of what became the Reconstruction and Development Programme (RDP) (Former Minister of Finance, September, 2014).

Discussions on a policy framework that would provide an election platform for the ANC begun around March 1993 as an initiative of COSATU (Turok, 2008a). There was contemplation that the right to vote would have a full meaning only if complemented by a comprehensive socio-economic programme and this meant that the economic crisis which had exacerbated unemployment, violence, crime and social decay had to be addressed; these concerns precipitated the need for the RDP (Turok, *ibid.*). Turok (2008a) markedly reveals that COSATU essentially decided to demand a commitment to a 'Reconstruction Accord' as a foundation for the political undertakings.

Former Governor of the Reserve Bank (October, 2014) claims that the reason the RDP emerged was because COSATU did not have a document that was equivalent to 'Ready to Govern' and yet were insisting in 1994, before the elections to be exact, that in order to cement the alliance election campaign there needs to be a signed contract between the ANC and themselves as COSATU. COSATU then insisted that the contract should be a 'Reconstruction Accord' to which the ANC representatives objected, saying there was nothing of that kind (Former Reserve Bank Governor, October, 2014). COSATU then rephrased their proposal and named it a 'Reconstruction Programme' without offering an explanation on the title. The ANC representative then made an addition of the word 'development' to the title and it became the "reconstruction and development programme" (Former Reserve Bank Governor, October, 2014).

During the discussions COSATU was represented by Alec Erwin and the ANC had Tito Mboweni on the other side who was invariably unyielding about using 'Ready to Govern' as a point of reference. It was clear that COSATU wanted to see a document in which they would have had participated and made substantive input. A senior member of COSATU (Trade Unionist, September, 2014) confirms the series of events adding that from around 1993 COSATU decided to send people through to parliament, the idea was that there was going to be a Reconstruction Accord between COSATU and the ANC, later on that became a Reconstruction Programme, and finally the Reconstruction and Development Programme (RDP), and the ANC was also preparing for an election manifesto.

The Trade Unionist (September, 2014) reports that in 1993 they released Jay Naidoo, who was the COSATU Secretary General, to join the team that was working on the RDP and Alec Erwin was also part of that contingent that went to parliament. Bennie Fennerof was released from the Metal Workers Union to act as a project coordinator for the RDP, and together with Jay Naidoo they drove that process prior to the elections. The RDP became the campaign document of the ANC and it had a role of synthesising everything that had been said from the Freedom Charter in 1955 to via all these different policy processes to a statement today (Trade Unionist, September, 2014). There is certainly a common thread running through the testimonies of the informants and literature. The former Minister of Finance (September, 2014) concurs with the assertions of the trade unionist despite their nuanced differences on the origins of some of the economic ideas. So the work between the RDP and the election manifesto became integrated, so it was largely the same team from the ANC as well as COSATU people working on both documents that formed the manifesto (Former Minister of Finance, September, 2014).

The ANC representative maintains that by virtue of having COSATU they became vulnerable to infiltration by all sorts of people including academics such as Patrick Bond, who was by then at the centre of drafting (Former Reserve Bank Governor, October, 2014). With that setting the ANC had to be extra vigilant and monitor the process closely to ensure that things did not go haywire, Max Sisulu was then assigned the task of managing the work whilst ANC members such as Tito Mboweni and Trevor Manuel were opposed to the process (October, 2014).

The RDP was accordingly unveiled in early 1994 as a comprehensive plan to attend to a multiplicity of socio-economic challenges (ANC, 1994). The release of the RDP document as an election manifesto of the ANC occurred shortly before the first democratic election of 27 April 1994 (Turok, 2008a). The RDP was designed to integrate South Africa into the global economy through establishing a balanced and strong economy that addressed structural issues of employment creation, poverty eradication and basic needs as the core of reconstruction and development (ANC, 1994, p.9).

It is quite curious that the RDP 'Base Document' did not make any direct and specific mention of macro-economic policy and thus monetary policy, fiscal policy and exchange controls are conspicuously absent in the document. A trade unionist from COSATU (September, 2014) asserts that the RDP did not have a macro-economic model that looked at how government was going fund the expenditures as well as what was the appropriate fiscal policy, monetary policy and where funding was going to be derived from. "So it was a kind of Freedom Charter style document, what was required and there was an assumption that there would be means to be found" (September, 2014).

It is also possible that the RDP document assumed a generic tone in order to appeal to the masses as it was prepared and presented as the election manifesto of the ANC. Be that as it may, the document lacked resolve on macro-economic policy. It is important to note that this version of the RDP came to be known as the 'RDP Base Document' to distinguish it from the 'RDP White Paper' document which was introduced shortly after the first general election of 27 April 1994. The RDP base document was very generic and lacked bold assertions on macro-economic policy framework whereas the RDP White Paper unambiguously foregrounded the latter.

Nevertheless, the Deputy Governor of the Reserve Bank (August, 2014) summarises the progression thus, "Ready to Govern evolved into the RDP and the RDP in turn was translating Ready to Govern into a programme". Meanwhile on 25 January 1994 the Interim Constitution of the Republic of South Africa (Act No. 200 of 1993) was assented to by the President⁴⁸ (RSA, 1994).

Most importantly, the autonomy of the central bank to perform its duties was stipulated in subsection (1) and protected by section 197 of the legislation (RSA, 1994). Marais (2011, p.105) contends that the ANC settled to preserve the independence of the Reserve Bank in the Constitution effectively removing monetary policy from democratic oversight and accountability.

⁴⁸ The Constitution's date of commencement was 27 April 1994, the date of the first democratic general election. The Constitution outlined, inter alia, the powers and functions of the South African Reserve Bank (SARB) (RSA, 1994 *ibid.*). The document stated that the SARB, as founded and governed by an Act of Parliament, would be the central bank of the Republic (RSA, 1994). At the heart of the mandate of the SARB was supporting economic growth based on the protection of the value of the currency both locally and internationally (RSA, 1994).

Apparently this move was vindicated by President Mandela as a gesture to the global community and capital that the ANC government supported rigorous economic management (Marais, *ibid.*). The consistency in the maintenance of the independence of the central bank arguably signifies continuity and stability as well as upholding the prevailing macro-economic policy framework from both an institutional as well as overall goal perspective. The Constitution also provided for the founding of the Financial and Fiscal Commission (Hansard, 1 November 1994).

The FFC was mandated with the task of advising the legislative authorities on the basis of relevant financial and fiscal integration, information as far as finance and fiscal policies are concerned, equitable financial allocation, taxes, levies, imposts and surcharges levied by the provincial governments etc. (Hansard, 1 November 1994, p.3788). It is clear that for the ANC the period towards the first general election was characterised by several competing interests, from a political perspective, the ANC had to secure peace and ensure a smooth democratic transition. On the other hand the ANC had to balance and placate socio-economic expectations, for their constituency the RDP as an election manifesto portended optimism as it represented a framework that promised growth through redistribution. At this point the macro-economic policy framework and trajectory of the ANC economic ideology remained indeterminate for both local and international business interests.

4.4 Macro-Economic Policy after 1994: The Growth Employment and Redistribution (GEAR) Strategy.

The South African general election of 1994 was an earth-shattering occasion (Yorke and Toase, 1998). The first democratic elections of 27 April 1994 signposted a departure from an old order to a new dispensation for South Africa (Jackson, 1998). The ANC achieved a huge victory at the polls leading by 42% whilst the National Party (NP) came in second place (Jackson, 1998, p.9). The ANC garnered 62.65% of the vote whilst the second largest portion of the vote went to the National Party at 20.39% (Jackson, *ibid.*). From a political perspective a huge national conundrum had been resolved and this outstanding realisation was celebrated by the majority with only a small portion of society left aggrieved (Marais, 2011, p.78). However, a settlement premised on a political foundation alone would prove insufficient for the resolution of the structural economic and social crisis (Marais, *ibid.*).

On 13 July 1994 the South African Parliament passed the Reconstruction and Development Programme Fund Act (Act No. 7 of 1994) (RSA, 1994a). The Act made provision for the establishment of the RDP Fund; the Minister of Finance would have oversight over the funds allocated to RDP projects⁴⁹ (RSA, 1994a). A Deputy Director General at the erstwhile Department of Finance (August, 2014) confirms that the RDP which had started out as the ANC's election manifesto was, after the new government was formed in 1994, set within a macro economic framework, hence the RDP White Paper. Here the RDP was provided with some content on how the broad election commitments would be translated into policies and programmes (August, 2014). The White Paper on Reconstruction and Development, commonly known as the 'RDP White Paper', was then published and tabled before parliament on 15 November of 1994, (RSA, 1994b).

It is critical to note that the conversion of the RDP into a white paper received criticism from leftist quarters of the alliance; this was considered to be the beginning of the rift with the tripartite alliance (Deputy Director General, Department of Finance, August, 2014). The Minister in the Office of the President (Minister without portfolio responsible for the RDP), as the custodian of the policy, was responsible for championing the implementation of the document. According to one ANC DEP member (September, 2014) the idea of the RDP Office was predicated on the notion that one could only implement the RDP effectively if the entity was located at the apex of government, the President's office, the RDP office.

The RDP White Paper was the flagship policies of the Government of National Unity (GNU) shortly after the first democratic election. The linkages between development, growth and reconstruction were stressed in the RDP White Paper (RSA, 1994b). Government devoted to support the RDP as an integrated and systematic development plan via macro-economic policy (RSA, 1994b). In the same vein as the 'Base document', the RDP White Paper acknowledged the structural discrepancies within the economy that the GNU had taken over.

⁴⁹ The establishment of the RDP Fund was aimed at triggering a flow of private capital towards social development projects such as economic infrastructure and this would benefit households and communities (Hansard, 28 March 1996, p.890). Government spending itself was to be redirected from consumption to infrastructure investment through budget reforms (Hansard, *ibid.*).

The white paper further outlined its own requisite institutional arrangements necessary for implementation. Accordingly, the RDP office was tasked with coordinating most of the new initiatives for reconstruction and development in the period 1994 to 1996 (Hansard, 25 February 1998, p.216). The ANC government planned to restructure and redefine departmental and state entities' relationships for the mainstreaming and implementation of the new policy goals across all tiers of the state⁵⁰ (RSA, 1994b, p.21). The work on the RDP straddled the periods of the ANC as a liberation movement preparing itself for government as well as its first term as a democratically elected governing party. Indeed the ANC assumed power having already engaged itself immensely on the RDP as a policy document but they were found wanting when it came to arranging the requisite institutional configurations for the execution of the programme. A former Director General of the National Treasury (September, 2014) points out that once the ANC was in government, an RDP ministry was established, the RDP became almost a foundation of their ambition, what they wanted to achieve, it was clear that there was a need to create conditions for executing the plan, after all a plan is just a plan (September, 2014).

In government, the ANC had to deal with the realities of what they found in government which was effectively an apartheid state, and the transformation of the apartheid state was always going to be a real challenge, and actually that was also what the RDP was designed to address (Former Director General, National Treasury, September, 2014). "Once we got into government you couldn't just implement the RDP as something on the side with the entire machinery of what we found in government unchanged. In other words you couldn't just go and create a few RDP projects but not change fundamentally what the money was being spent on as if nothing had changed, we had to change things, and the reality was that we had inherited a state where the economic fundamentals were poor, we were in the cauldron of governing" (Former Director General, National Treasury, September, 2014).

⁵⁰ From 1 July 1996 the reform of state institutions in line with the new constitution begun championed by the Office of the Public Service Commission, the Minister of Finance made an announcement to this effect (Hansard, 1 November 1996, p.3789). The reform of state institutions involved the incorporation of TBVC states and self-governing territories into new departments and this was also accompanied by a transfer of functions (Hansard, 1 November 1996, p.3789).

The RDP recognised those challenges as it set out to create a society, a framework, and a vision for a post-apartheid society, it recognised it was going to take time to get there (Former Director General, *ibid.*). The RDP White Paper was the first expression of ANC macro-economic policy once in government and this is worth highlighting. The overall policy goals of pursuing monetary stability, fiscal discipline and prudence in exchange rates resonated and were consistent with the Ready to Govern document. There was arguably much in common between the Ready to Govern and the RDP White Paper whilst the intervening 'RDP Base Document' was notably broad and only served a good purpose as an election manifesto.

The budget section of the RDP White Paper signified an ANC government that was already immersed in governing⁵¹. In the 1994/95 budget as an example, government faced a number of challenges, besides the processes of mainstreaming functions there were financial implications for the amalgamation of the indebted homeland governments such as Transkei, Bophuthatswana, Venda and Ciskei into the new dispensation (TBVC) (RSA, 1994b). The new budget also attempted to be lenient to business and investors by reducing tax whilst also growing second tier tax to bolster economic growth and reinvestment (RSA, 1994b).

Moreover, the RDP White Paper articulated government's 'economic policy strategy' which entailed aims to restructure industry, boost public service functioning, and gearing monetary policy towards subsidizing the RDP (RSA, 1994b). A Deputy Director General at the former Department of Finance (August, 2014) narrates how they consulted with key advisory people in the ANC economic department and other departments, the Presidency, RDP office and the Ministry for the RDP in a collaboration to develop new programmes. The Minister of Finance took a big step in 1994 where funding was set aside within the overall budget for RDP priorities, this was apparently a very simple model whereby an amount was cut away from all departmental budgets and set aside for new priorities and that was a rising envelope for year by year that was added to RDP priority programmes (the RDP Fund) in the budget from 1994 to 1996 (August, 2014).

⁵¹ The functions of consultative bodies such as the National Economic, Development and Labour Council (NEDLAC) were augmented in the RDP White Paper (RSA, 1994b). The document also stressed the need for cooperation and coordination in order to increase social and economic infrastructure required for industrial development and agriculture, on the other hand it was advanced that progress in services and incomes would necessitated a growing economy (RSA, *ibid.*).

The RDP White Paper further attempted to achieve high employment creation and massive economic participation through fostering a climate congenial to economic growth and outward oriented industrial policies (RSA, 1994b, p. 21).

At this juncture fiscal policy reforms had already been factored in to produce the necessary macro-economic results (RSA, 1994b). In concurrence with the constitution, the paper further confirmed protection of the autonomy of the central bank and its broad mandate over monetary policy from any interference⁵² (RSA, 1994b, p.25).

In accordance with the General Agreement on Trade and Tariffs (GATT), the RDP White Paper guaranteed to steadily promote trade liberalisation across economic sectors by re-modelling Trade Policy (RSA, 1994b). A former Director General at the Department of Trade and Industry (DTI) reported that South Africa became a member of GATT around 1993 before the new dispensation was installed a year there after (September, 2014). The beginning of 1996 was a period building towards 24 months or full two years of a democratic dispensation since 27 April 1994.

This period was marked by heightened uncertainty in many respects. A Reserve Bank chief economist (August, 2014) asserts that one thing that stood out at the time was that it was not very clear which way the macro-economic policy was going to be, there had been a lot of ideas that had come through from MERG to the RDP White Paper, the latter being a long wish list, there were lots of heated debates but no consensus⁵³. Again the collapse of the Soviet Union was a stark and significant reminder as to what was possible at macro-economic policy level, nevertheless it was still unclear and things were quite ad hoc after 1994 (Reserve Bank Chief Economist, August, 2014).

⁵² In its two key functions, the SARB would continue the maintenance of a vibrant financial system whilst observing inflation at low levels (RSA, 1994b). Access to financial services would be increased and domestic savings encouraged through the establishment of needed institutions and policy instruments (RSA, 1994b).

⁵³ It becomes more conspicuous that the ANC had long been attempting to placate business interests by working towards a coherent macro-economic framework. The ANC's Max Sisulu (Hansard, 15 November 1994, p.4374-4375) argued that the RDP was a two-pronged strategy that concentrated on the restructuring of the economy and institutional reform, and socio-economic development. The RDP White Paper had not yet articulated how the economy was going to be restructured.

It may be safe to assume that the origins of the RDP and its association with the labour movement stigmatised the policy document notwithstanding the RDP White Paper's articulations on the macro-economic policy framework and thus business interests, amongst others, still awaited a pronouncement of a more targeted or orthodox and forceful macro-economic policy statement from the ANC⁵⁴. The Inkatha Freedom Party (IFP) for example probed in parliament whether in the post-Cold War era a socialist inspired growth and development framework that originated in labour unions was still relevant (Hansard, 23 May 1996, p.1673). A Reserve Bank senior economist claims that the ANC government had already extended a few gestures to try and calm the fears of the market and give assurance that there was not going to be any dramatic changes to policy (August, 2014).

Ironically in 1995 there had been fears that the ANC was going to come in and tighten up on exchange controls and thus one of the first things that government did was to abolish the financial rand system which was one of the main pillars of the exchange control regime (Chief Economist, August, 2014). This was a symbolic intervention to demonstrate that the ANC government was market friendly and to counter popular opinion that assumed the opposite but the macro-economic framework was still not clearly spelt out and there were lots of uncertainties (Chief Economist, August, 2014). The period was compounded by the depreciation of the rand (South African currency) in February of 1996 and rumours of Mandela being ill but still the main fear was that there was no macro-economic policy framework (Chief Economist, August, 2014).

One thing that is outstanding about this period is that the RDP White Paper had already been released but none of the parties seemed to seriously regard it as a macro-economic policy framework⁵⁵.

⁵⁴ It is quite possible that the RDP White Paper, despite its nuances and divergence from the RDP base document, was considered to be a COSATU document and a populist wish list typical of the supposedly left-leaning election manifesto. Some opposition parties had criticised the RDP as a failure. In its attack the Inkatha Freedom Party (IFP) claimed that the RDP had failed to develop a clear focus (Hansard, 23 May 1996, p.1673). It was asserted that the RDP had been largely a top-down attempt at development (Hansard, 23 May 1996, p.1672). The IFP asserted that the fact that the RDP originated as a party political programme designed to attract electoral support in the April 1994 elections was a leading cause of the failure (Hansard, 23 May 1996, p.1673). According to this opposition party, it had to be also remembered that the RDP had its origins in COSATU, and that COSATU in fact threatened not to support the ANC in the April 1994 elections unless the ANC committed itself to the RDP (Hansard, 23 May 1996, p.1673).

⁵⁵ The closure of the RDP could also have caused more anxiety and uncertainty. The closure of the RDP was, according to the ANC, a measure of effecting improvements in the programme that had already showed its

Business interests were clearly seeking something bolder and sharper to foreground the macro-economic framework of the ANC. Some initiative was begun by Andre Roux, Deputy Director General at the Department of Finance, whereby they started investigating developing a framework, people in the markets were arguing that there is no clear framework for macro-economic policy in government; it is all ad hoc (Deputy Director General, National Treasury, August, 2014). An informal group was assembled under the auspices of Minister of Trade and Industry, Trevor Manuel and the Deputy Minister of Finance Alec Erwin, this grouping was immediately informed that it had some serious work to embark on in order to come up with a framework (Deputy Director General, National Treasury, August, 2014).

“I became Minister of Finance on the 4th of April 1996 and Gill Marcus was my deputy. It was very clear by then we were facing a very huge problem. We then started testing these ideas and asking whether you could square these ideas with an RDP programme. I was consulting the deputy president of the ANC (Thabo Mbeki, also Executive Deputy President of the Republic)” (Former Minister of Finance, September, 2014).

On 18 April, a number of RDP programmes, including RDP fund, were assigned to the Ministry of Finance, the RDP Office was subsequently shut down (Hansard, 23 May 1996, p.1653). It was argued that departments were better positioned to deliver on the goals of the RDP in a more focused manner (Hansard, *ibid.*).

Then on 8 May 1996 the final Constitution was adopted by the Constitutional Assembly (RSA, 1996a). When the country adopted the Constitution, the National Party (NP) withdrew from the GNU (Former Minister of Finance; September, 2014). Christopher (2001) concurs that the National Party left the GNU following the enactment of the final Constitution (Christopher, 2001). It was imperative for the National Party to assert itself as an opposition outfit that was also a formidable alternative to the ANC in power (Christopher, *ibid.*).

shortcomings. Projects were accordingly integrated into different departments (Hansard, 23 May 1996, p.1674).

Auspiciously, the IFP stayed in cabinet as the component of the GNU (Christopher, 2001). Whereas foreign investors would have seen the old white order as being part of the stability, suddenly the National Party were not there anymore, the ANC were left to their own devices and facing all of the challenges, the ANC's economic team had to step onto the stage and produce some work (Former Minister of Finance, September, 2014).

A Deputy Director General at the National Treasury (August, 2014) and member of the GEAR technical team, proffers that the document was put together by a team of about ten to twelve people. The Development Bank of Southern Africa (DBSA) housed the work, and there were three members from the DBSA who were closely involved in working on the document as well as some independent economists, who were part of that team. This was a team of economists appointed by the Minister of Finance to prepare a policy document, and a number of representatives of several government departments; and some consultation with those departments in finalising the recommendations and it went to cabinet, it was a fairly standard procedure for developing a policy framework. The key thing was taking the ideas into cabinet and ensuring the president's support for the programme, and this was the Deputy President Thabo Mbeki's initiative (Deputy Director General, National Treasury, August, 2014).

According to a former Minister of Finance (September, 2014), on Sunday the 9TH of June 1996, Madiba (President Nelson Mandela) convened a leadership core of the alliance at his house to talk about the situation that had unfolded and the ANC economic team apparently expressed all that they knew about macro-economic policy and immediately went on to complete some work and that became a strategy for growth employment and redistribution. Part of the work was to try and stem the flow by reducing the size of the deficit, opening up the economy, freeing up some exchange controls, and making a commitment to the restructuring of state assets, and that is what GEAR was (Former Minister of Finance, September, 2014). In his introduction of the Minister of Finance in Parliament, the Executive Deputy President, Thabo Mbeki, highlighted that despite the remarks that the Minister of Finance was about to make the overarching framework remained the Reconstruction and Development Programme, the foundation for all government programmes (Hansard, 14 June 1996, p.3041).

As former Minister of Finance proffered, the focus of GEAR was primarily on macro-economics and it was tabled in Parliament on Friday 14 of June 1996 (September, 2014). However, it is notable that caption of the new strategy ‘Growth Employment and Redistribution (GEAR)’ as it came to be known, was neither uttered by Deputy President Mbeki nor Minister of Finance Trevor Manuel during their addresses to Parliament. In his opening, Thabo Mbeki, put an emphasis on the notion that the RDP was still central to government policy and that its’ principle of revolutionary change and character for the improvement of the living standards for the masses remained (Hansard, 14 June 1996, p.3042).

As the Minister of Finance addressed Parliament on the macro-economic framework, he highlighted that budget and fiscal reform, a strict fiscal posture against inflation in the short-term, targeting government dissaving and deficit in the medium-term as well as restructuring the tax regime, enhancing redistributive capacity and cost reduction, formed key components of the new platform (Hansard, 14 June 1996, p.3047). The GEAR strategy was certainly introduced and tabled to parliament on 14 June 1996 (Turok, 2008a; Hirsch, 2008). GEAR was now the keystone of South Africa’s growth and development outlook (Marais, 2011). GEAR as a strategy put an emphasis on macro-economic management (Turok, 2008a). It has been contended that labour policy, industrial and trade policy, and most importantly fiscal, monetary and exchange rate policies combine to form macro-economic policy (Biggs, 1997, p.33). Macroeconomic policy also entails budget management and revenue administration as its constitutive parts via fiscal policy (Biggs, *ibid.*).

According to a Former Minister of Finance, the framework was in many ways an outcome of Deputy President Thabo Mbeki’s recognition of the importance of a macro-economic policy framework (MEPF) for growth and development (September, 2014). Mbeki was granted the mandate by the President (Nelson Mandela) to focus on the economic development issues (Former Minister of Finance, September, 2014).

Amongst the speakers in the debate were people from the Communist Party, who explained that they broadly supported the thrust of the document⁵⁶ (Former Minister of Finance, September, 2014). The Deputy Governor of the Reserve Bank (August, 2014) suggests that GEAR was basically giving meaning to the macro-economic policy section of the RDP document. This is a reference to the RDP White Paper since the base document did not have a macro-economic component. That section of the RDP White Paper characterised the nature of the macro-economic problem in South Africa and stated that a democratic South Africa, in implementing the RDP should take cognisance of important macro-economic ratios such as tax to GDP, debt to GDP, the deficit as a percentage to GDP and so forth⁵⁷ (Deputy Governor, Reserve Bank, August, 2014). But there were also aspects of GEAR which were micro in nature and those involved jobs, reforms of the labour market as well as the public works programme and it is important to note that the micro targets of GEAR were not realised but the bulk of the macro side was achieved (August, 2014).

Definitely the macro targets were realised and resources were generated through cutting down on the deficit because the country was saving permanently on debt service costs and that money was then available to be deployed in or allocated into important aspects of policy implementation on the micro side⁵⁸ (Deputy Governor, Reserve Bank, August, 2014). Without those successes the social security system which was expanded after 1996 could not have been realised (Former National Treasury Director General, September, 2014).

⁵⁶ Another GEAR technical team member and economist at the Reserve Bank reports that on the eve (13 June 1996) of the release of GEAR in Parliament, COSATU were invited to a meeting by senior ANC officials whereby they were informed of the GEAR document (August, 2014). The ANC members alerted the COSATU representatives that the document was something they were not going to like but it was important that they do not criticise it immediately for a few days. Indeed after GEAR had been read out there was very little negative reaction from COSATU, but it did come a bit later (August, 2014).

⁵⁷ The Deputy Governor argued that sometimes one would find that in the policy discourse there would be a disingenuous notion that GEAR supplanted the RDP (August, 2014). In his opinion GEAR did not supplant the RDP nor did it have capability of supplanting the RDP and the only thing it did was give effect to one component of the RDP which was the macro-economic component of the RDP document (August, 2014). And GEAR set itself the path from 1996 that was running and data is available from 1996 until 2001 by which time the macro-economic targets must have been met, and they were indeed met. This means there was no sea-change between the RDP and GEAR as commonly claimed by many commentators.

⁵⁸ Butler (2004) confirms that the ANC has adopted an orthodox and conservative policy framework since 1994. The attainment of economic growth hinged on a pro-market policy, fiscal discipline, and a quest for a stable economy and this was stressed in GEAR (Butler, *ibid*).

A former Director General at the National Treasury stresses that GEAR was predicated on dealing with a series of very immediate macro conditions that pertained in the country at the time, those macro conditions were such that South Africa was facing a series of fiscal constraints that were huge (September, 2014). The country was confronted by a series of balance of payments constraints, a huge (budget) deficit, a fiscal deficit, a current account deficit, high inflation and it was pertinent that those challenges were dealt with in order to create conditions to deliver sustainably whether it was a Reconstruction and Development Programme, which was the country's ambition at the time, or what became the succeeding programmes such as ASGISA (Accelerated and Shared Growth Initiative of South Africa) or what that evolved to later which was the recent National Development Plan (Former Director General of the National Treasury September, 2014).

The new government embarked on major monetary policy alterations which entailed, inter alia, regulating acquisition of credit, paying close attention to currency value, managing the supply of currency in the system, interest rates as well as exchange rate control (Turok, 2008a, p.115). At this interval the new dispensation had managed to safeguard the autonomy of the central bank through constitutional provisions and this was critical for whole macro-economic policy management⁵⁹ (Ward, 1998).

In his 1996 budget speech, Minister of Finance Chris Liebenberg, had reiterated the latter view (Ward, 1998, p.40), arguing that in the globalisation era governments risk harsh political, economic as well as social consequences if they fail to adhere to the disciplinary prescripts of international markets. GEAR was therefore put in place with a clear vision, the new government considered that if they wanted the economy to grow and stabilise, and if they wanted the best chance at delivering the ambitions of the RDP, a precise intervention had to be devised and that was actually the genesis of the GEAR programme (Former Director General, September, 2014).

⁵⁹ It has been noted that after 1996 the new dispensation pursued the same approach to financial management as the late apartheid era regime (Ward, 1998). The new democratic era ANC government was thus compelled to conform to international norms in their approach to financial management and this was the reality they had to learn to live with (Ward, 1998).

The team behind GEAR was of the notion that they had to start at a basis that says if the economy was to grow at 6 percent clear measures were required and that entailed fiscal stability, bringing down the deficit, reducing debt service costs, creating space on the budget to spend on education, health, social services, housing, and that was no facile enterprise, but the country needed to reach that plateau (September, 2014, *ibid.*).

The new government thus had to cut on apartheid type of projects and rebuild budget so as be able to spend on the ambitions of the RDP, it was clear that simply channelling funds of R100 or 500 million rand onto something called an RDP project would not actually amount to transformation, real transformation demanded a lot more than that hence the five years of GEAR (Former Director General, September, 2014). The state was in a precarious situation financially, there were no foreign exchange resources to pay for imports, without foreign exchange coming in the country would be bound to eventually borrow from somewhere and this is what customarily occurs amongst indebted nations, South Africa was only desperately attempting to avoid being in the clutches of the IMF and the World Bank, and as a sovereign the country did avoid such programmes (September, 2014).

Former Minister in the Presidency (September, 2014) maintains that one important element of the GEAR policy was, looking at that time, refusing to borrow from abroad when both the IMF and the World Bank were very ready to lend South Africa money at very reasonable rates. “The position of government was that if one wants the IMF and the World Bank to run your economy, and then borrow money from them, lots of it” (*ibid.*). South Africa said, “no we don’t want that. Secondly, our argument still holds that, which the party and COSATU held, people who attacked the policy didn’t accept, and we did say that, if we borrowed money at that time, in 15, 20 years, time somebody has to pay the money back, you can’t borrow money and say I can’t pay you, and what we would have been doing is at that time, we were going to put a future ANC government into great difficulties, can you imagine now if the ANC government had to pay debts which we had accumulated, the possibilities of us developing this very major social security grant system that we have, we are about the only developing country in the world that has such an extensive, social security grant system, it would not have been possible” (Former Minister in the Presidency, September, 2014).

On 16 December 1996 the final Constitution for the new democratic South Africa was assented to and then on 18 December 1996 it was promulgated (RSA, 1996a). The Constitution of the Republic of South Africa (Act No. 108 of 1996) was set to come into effect on 04 February 1997 (RSA, 1996a). The Minister of Justice and Constitutional Development was tasked with the administration of the Constitution (RSA, 2001b). Sections 223-225 of the Act reiterated the establishment, object, as well as powers and functions of the South African Reserve Bank denoting that the final Constitution of Republic of South Africa guaranteed the independence of the central bank (RSA, 1996a). It is noticeable that from a macro financial management angle the ANC government had limited options due to being party to the GNU but most importantly as a result of agreeing to the terms of the negotiated settlement with the National Party and capital (Ward, 1998). Ward (1998) observed that long before they could officially govern, the ANC distinguished itself as perhaps the single emancipation outfit to wilfully commit to financial discipline.

The unforced commitment to assuring the autonomy of the reserve bank in the new Constitution and adherence to orthodoxy were probably motivated by the ANC's deficiencies when it came to economic policy (Ward, 1998). A former Governor of the Reserve Bank (October, 2014) contends against the notion that the ANC introduced a new economic direction altogether with GEAR in 1996. "Even before GEAR was in place the fact is that this framework was there, for example low inflation was there in 1994 when the ANC assumed power, it began by a programme of fiscal consolidation, and one should forget the titles of these documents such as 'GEAR' and focus on the content" (October, 2014).

Dating back to the transition period segueing to the democratic dispensation, the ANC invariably prided itself of its economic know-how (Hirsch, 2008). It is the names assigned to these policy documents that are sometimes problematic; the issue should be what kind of an economic programme was being followed, what was the macro-economic framework? At the macro-economic level, since 1994 the ANC has always pursued low inflation and fiscal consolidation, and in order to understand all of that one needs to go back to the party and ask "what was the party's philosophy?"

The party drew its major economic philosophy from the 1992 document, Ready to Govern (RTG) (Former Governor, October, 2014). Again at some stage in 2000 the ANC referred to that commitment as inflation targeting but it was nothing new, it was just given a name, commitment to low inflation, look at fiscal consolidation, GEAR just gave it a name; nothing has changed (October, 2014). If the National Party was committed to low inflation, the ANC was committed to low inflation; it is not about continuity from the National Party or whatever, but just a pursuit of prudent policies⁶⁰ (Former Governor, October, 2014).

Stephen Gelb (2006), a member of the GEAR technical team, curiously asked what GEAR's distinguishing role was. His response to his own question is that fundamentally GEAR was a systematic packaging of existing policy instruments hence referring to it as a 'wrapping paper' proved apposite (Gelb, 2006, p.4). GEAR thus served to appease and reassure domestic and international capital of the ANC government's commitment to orthodoxy by packaging existing macro-economic instruments into a coherent framework (Gelb, 2006).

In order for GEAR to be effectively implemented, it was also critical to establish requisite institutional arrangements. A former Director General at the National Treasury (September, 2014) relates on how they set to overhaul finance related state departments in 1996. Before 1994 there was a single Department of Finance which comprised of customs and excise and revenue services all in one department (Former Director General, National Treasury, September, 2014).

Then there was the Department of State Expenditure, the new dispensation changed the entire system, it built up fiscal capacity, revenue collection capacity, and the manner in which government undertook borrowing also changed, there was a reduction of wastage and

⁶⁰ Another member of the GEAR technical team, Stephen Gelb (2006), reveals that in order to manage inflation, from 1990 government implemented a stringent interest rate strategy and this extended to fiscal policy and deficit goals up to 1994. The fact that there was continuity within the finance portfolio and the reserve bank governorship after 1994 should not be construed as merely a basis for retention of National Party policies but rather as an affirmation that the ANC was cornered and had no option but to choose orthodoxy (Gelb, *ibid*). In concurrence with a former Director General (September, 2014) at the DTI, Gelb states that trade liberalisation and some aspects of reintegration into the global economy occurred during the transition period and this was sealed by joining the GATT (2006, p.2-3). The reintegration into the global economy affected the value of the rand which remained unstable due to incoming capital; this opening up was a key drifting in macro-economic policy (Gelb, 2006). Furthermore, the drift affected economic growth and created instability that even retention of the RDP policy would not have averted (Gelb, *ibid*.p.2).

interests and this was attained merely by building up more efficient mechanisms for borrowing (Former Director General, National Treasury, September, 2014).

The Department of Finance was accordingly merged with the Department of State Expenditure in 1996 to form the National Treasury, a totally new department (Former Director General, National Treasury, September, 2014). The new government built remarkable fiscal capacity along the massive changes in what became the National Treasury, South Africa boasts excellent fiscal documentation after 1994, probably one of the best fiscal documentation in the world to this day in terms of understanding medium term expenditure, budgeting, medium term expenditure framework, accountability to parliament, tax legislation and building the capacity of the South African Revenue Services (SARS) (September, 2014). It was also important for government to continuously impress that it had not abandoned the RDP as a programme, state departments would continue with Lead Projects and focus their activities on the principles as found in the RDP and GEAR policies where RDP initiatives form part of each department's future planning (Hansard, 25 February 1998, p.220).

Again the adoption of GEAR was accompanied by major institutional reforms as already indicated⁶¹. According to a Deputy Director General at the National Treasury, there was a phased transition from a political process to an RDP Ministry controlled by the Presidency whereby new priorities were incorporated into budgets through the RDP fund mechanism (August, 2014). However, the RDP fund was immediately done away with and the RDP Office and Ministry were consequently closed in 1996 (August, 2014). The RDP priorities and programmes were consequently incorporated directly into the budget and with the adoption of the final constitution major big budget reforms occurred in 1997 and 1998 and here the new Division of Revenue was constructed and new funding arrangements for provinces were put in place (August, 2014).

⁶¹ Former Director General of the Department of Trade and Industry (September, 2014) illuminates that some of the important policy tools that accompanied GEAR were the Public Finance Management Act (Act No.1 of 1999) as well as the Local Government: Municipal Finance Management Act (Act No. 53 of 2003).

The 1998 budget marked the full transition, full implementation, from the interim arrangements of the RDP and new spending programmes to a fully integrated new government budget in 1998 (Deputy Director General, National Treasury, August, 2014).

Again this was enormous institutional change across the public service and it had to be managed financially and from a budgeting point of view it meant merging the 14 education and health departments from the Bantustans and the homeland administrations and the provincial administrations into new consolidated provinces and later municipalities (Deputy Director General, National Treasury, August, 2014). It was about translating the political rhetoric of the RDP and its policy commitments into practical things. In 1998 the National Treasury also introduced the medium term expenditure framework (MTEF), the three year budgeting framework⁶².

The MTEF is comprised of one year appropriations whereby the National Treasury appropriates funds for one year, these funds are firm and built into law, departments are entitled to spend that money, but the budget also publishes three year estimates or forward estimates to bring more certainty into budgeting (Deputy Director General, National Treasury, August, 2014). This allows the budget framework to be more transparent and accountable.

Reverting back to the macro-economic policy framework, it is quite notable that what seemed like a regular exercise in defining parameters of financial management in a modern mixed economy was to bring about a rift and major fissures as well as plant enduring mistrust within the governing party and its alliance partners. GEAR generated discord in the country to say the least.

⁶² The Deputy Director General (August, 2014) also points out that many countries internationally undertook similar budget reforms. For example New Zealand and Australia had been through quite substantial reforms in the early '90s and National Treasury learnt a bit from that. For South Africa international assistance came from the Canadian Treasury, Canadian budgetary reforms at the time. The United Kingdom in the early '80s and early '90s administrations had moved towards medium term budgeting so there were some lessons from the UK experience as from the Americans (August, 2014). But maybe the most important point to make is that, this was South Africa's transition in a context when east European countries were going through their own different kinds of transitions from Soviet styled economies and financial management systems to democratic reforms and more open budgeting and more market based economies (August, 2014).

It is critical and curious to note that the foregrounding of the core of the macro-economic policy framework (fiscal policy, monetary policy and exchange rate policy) uncluttered by micro elements such as labour policy, industrial policy and trade policy, appears to be at the centre of contention. This complex and highly specialised remit of economic policy is arguably out of reach for a lay person and this is what the Treasury and Reserve Bank specialists focus on and it is the area that has been characterised by unparalleled consistency not just in terms of policy goals but also in terms of personnel in a period of about two decades.

Following the annunciation of GEAR in June 1996 there was mixed reaction across various interest groups not least from the ANC's own alliance partners. Amongst the interlocutors within the debates were members of the South African Communist Party (SACP) who expressed that they broadly supported the thrust but also raised their concern about the speed at which government was reducing the deficit but in broad terms were in agreement with GEAR (Former Minister of Finance, September, 2014). Former Minister of Finance reports that Mbhazima Shilowa, who was the COSATU General Secretary was away at the time and Zwelinzima Vavi, who was acting in his position, issued a statement on the same day, 14 June 1996, basically saying "we didn't get everything we wanted" ⁶³(September, 2014). In his recollection, the former Minister of Finance (September, 2014) argues that if a person states that "they did not get everything they wanted" it implies that there must have been some prior discussion on the matter and an agreement was not reached.

⁶³ The trade unionist from COSATU (September, 2014) reports that when GEAR was announced it was accompanied by a message from the Minister of Finance, Trevor Manuel, saying "this is non-negotiable", and the reason he said that was that it would create a clear understanding in the markets that this was a committed path and they would not expect any fundamental changes which means the market could be reassured. The Minister of Finance then called several people including the trade unionist as NEDLAC Executive Director stating that in his presentation of GEAR he would strategically say it is 'non-negotiable' just to stabilise the position and then as Alliance members they could talk about it later (September, 2014). However, it is revealed that the Minister of Finance did not talk about the policy afterwards and there was apparently a block to discussing about public finance or having an open conversation on that from 1996 which really infuriated the unions and but satisfied business (Trade Unionist, September, 2014). There was massive polarisation that grew from that period especially since the labour legislation of 1995; there were tensions around the Labour Relations Act and GEAR's non-negotiability exacerbated matters. Business was definitely pleased with the developments and especially with having a government that was committed to a non-negotiable part of public sector restraint and labour was infuriated by what they saw as a betrayal (Trade Unionist, September, 2014).

The former Minister of Finance contends that government wanted to impress an important point about its position. It was imperative that government be resolute about the matter at hand, the macro-economic policy framework could not be treated like a wage agreement, it was not something to negotiate, whereby a trade union could suggest for example a 10% fiscal deficit whilst on the other hand government argues for 2% and then you negotiate in a manner until eventually you settle at 7% or something like that, that was not the approach government wanted to embark on with regards to macro-economic policy⁶⁴ (September, 2014). Former Minister in the Presidency (September, 2014) argues that subsequent conferences of the ANC have essentially taken decisions which were consistent with the GEAR policy that was adopted in 1996.

GEAR comprised of two forms of policy change. Firstly, policy changes introduced by the GEAR strategy constituted first order change (Hall, 1993). The process of first order change is likely to display the features of incrementalism, satisficing, and routinized decision making that is normally associated with policy the policy process (Hall, *ibid.*). As already illustrated, incremental changes in GEAR entailed marshalling of existent macro-economic policy core components such as fiscal policy, monetary policy, exchange rate policy, trade policy as well as micro elements such as industrial policy labour policy and budget management into a composite policy statement. Secondly, GEAR also introduced new policy instruments as well as state institutions. As one Director General (September, 2014) alluded, legislation such as the Public Finance Management Act (Act No.1 of 1999); the Local Government: Municipal Finance Management Act (Act No. 53 of 2003); and the MTEF were all component parts of the GEAR strategy designed to enforce accountability and transparency in state expenditure which was quite critical considering the levels of wastage during the transition period.

⁶⁴ This assertion and point of view has since been challenged by other senior ANC members. Former Minister in the Presidency (September, 2014) strongly argues that the Minister of Finance made a mistake when he announced that the policy was non-negotiable, "it was a terrible mistake, no policy is non-negotiable but he said this, I don't know why, maybe he was under pressure. But the important thing was that every policy evolves or changes in policy you already had, are always negotiable, there is no policy that is cast in stone and you say no we will never deviate from this because different circumstances, different developments, means that you must have the capacity to be able to respond to changes in the world economy, in the region's economy, to changes in the African economies, to changes in the balance of forces in the world."

From an institutional perspective, once again GEAR was accompanied by the establishment of the National Treasury and its entities such as the SARS and the Finance and Fiscal Commission (FFC).

4.5 The Accelerated and Shared Growth Initiative of South Africa (AsgiSA) (2005)

Almost a decade after the introduction of GEAR the South African government introduced another major policy statement. As an attempt to deliver on the 2004 election manifesto, in July of 2005 the ANC government announced the launch of the Accelerated and Shared Growth Initiative for South Africa (AsgiSA), as a new strategy for development (McGrath and Akoojee, 2007; Gumede, 2012). Amongst the targets for the new AsgiSA strategy were improving employment equity, implementing black economic empowerment and reducing unemployment and poverty by 50% (McGrath and Akojee, 2007; Gumede, 2012). The ANC government emphasised that in 2004 it had been directed to halve poverty and unemployment by 2014 (Presidency, 2005). Furthermore, government pointed out that due to enhanced economic performance and aptitude for employment creation, these goals were within reach (Presidency, 2005, p.2).

Reflecting on the origins of AsgiSA, a former Presidency economist (August, 2014) states that around 2002 there was a question within one of the Presidential Working Groups about why the economy was not growing fast enough, and why was it that the growth that was happening, which was relatively respectable; 4%, 4.5% before the global economic recession, was not resulting in jobs? It became clear that what was needed was a programme or a policy that deals with accelerating and sharing the growth, hence AsgiSA, hence that acronym⁶⁵ (August, 2014).

⁶⁵ The Former Presidency economist (August, 2014) relates that he could actually recall that the idea of coming up with a new policy for the economy was something that came out of the working group for the President, President Thabo Mbeki. "President Mbeki used to have these working groups, on business, women, religious, labour, and business was divided into small and big business. I had a privilege to coordinate almost all of them while I was there. The discussion had also taken place there, why is it that the economy was not growing? The trade unions had their own argument, government had its own view, and business had its own view. Then there was an agreement that there was a need to come up with a better policy to accelerate the growth of the economy and also share it" (August, 2014).

Hausmann (2008) argues that AsgiSA emerged as a proposition following the realisation of poor economic growth and persistent inequality around 2005⁶⁶. The National Treasury made an effort to isolate constraints to inclusive economic growth and identify requisite policy instruments to provide direction by assigning an international advisory group (Hausmann, 2008, p.1). Former member of the GEAR technical team and Reserve Bank senior economist points out that AsgiSA was premised on the philosophy of identifying 'binding constraints' to the economy as conceived by the panel of Harvard economists⁶⁷ that were appointed by the National Treasury⁶⁸ (September, 2014). Industrial and sector investment strategies, education and skills, second economy interventions, public administration, infrastructure programmes as well as macro-economic issues, were all identified as the six groupings within which the reaction of government was to be directed⁶⁹ (Presidency, 2005).

⁶⁶ Hausmann (2008, p.4) reported that economic growth per capita had reached 3 per cent by 2004 whilst there was improvement in employment as the number of the unemployed decreased from 30% in 2002 to close to 25% in 2007 despite a climb in job seeking. In spite of a higher international demand for raw materials and increases in energy prices, inflation stayed manageable and the black middle class grew steadily (Hausmann, *ibid.*). There was also a slight improvement in investment in 2000-2002 which climbed from 16 percent of GDP to just beyond 18 percent in the period 2005-2007 (Hausmann, *ibid.*).

⁶⁷ According to the Deputy Governor of the Reserve Bank (August, 2014), AsgiSA came out of the report titled 'The Recommendations of the International Growth Advisory Panel' (IGAP) commonly known as the 'Harvard Group'. The only thing Harvard about it was that all nine of the twelve members were from Harvard, the rest were from Michigan, Boston, London University, various universities (August, 2014). The interesting thing is that although the panel was based at Harvard it had only one American on it and even that American was not born in the US. There were no South Africans in the group, which is why it was called the IGAP (August, 2014).

⁶⁸ One Presidency economist (September, 2014), states that between 1997 and 2004, very little was spent on infrastructure programmes for example, and because of the growth that the country was experiencing, ports started having blockages, road and rail infrastructure started deteriorating, no money had been spent on power generation, so all these things started demanding a little bit more spending from the budget. This is where ASGISA started responding to some extent, yes the country needed to maintain spending on meeting people's basic needs, the social programmes on people's programmes but it also needed to start increased spending on economic programmes, here in particular there are again calls for an industrial policy, greater spending on infrastructure and this is where the 'binding constraints' were identified (September, 2014). Former Reserve Bank Governor (August, 2014) argues that many commentators consider the period between 2000 and the 2008 global recession to be South Africa's 'Golden Years'.

⁶⁹ One Presidency economist (August, 2014) reflects again on GEAR and infrastructure investment. It is opined that when government has a debt, it is important to reduce that debt. If the debt is incurred to build roads or power stations, railway lines, infrastructure investment that can develop an income stream (August, 2014). An investment in building a power station for example can create an income stream to repay the debt; you can borrow and build a power station, once that power station generates power there will be an income stream adequate to pay off the loan. One criticism of GEAR is that it did not prioritise investment in infrastructure, which was beginning to have problems or constraints that should be flagged as something that AsgiSA meant to address (August, 2014).

So AsgiSA was a strategy to unblock some of the key constraints that the country had, so that you could have faster economic growth and faster employment creation, AsgiSA broadly would have those kinds of objectives (Reserve Bank senior economist, September, 2014).

With regards to the macro-economic framework, AsgiSA aimed at ensuring that fiscal and monetary policies were coordinated to produce sustained inclusive growth and management of inflation targeting whilst currency overvaluation and volatility being kept low (Presidency, 2005, p.14). Moreover, in order to avoid having a budget that misleadingly seems expansionary, government planned to enhance budget management at macro level by ensuring that revenue was not underestimated and that on the other hand expenditure was not overestimated (Presidency, 2005). Former Presidency economist (October, 2014) asserts that AsgiSA also targeted the exchange rate that was appreciating, and in concurrence with other economists at National Treasury and the Reserve Bank he contends that it would be wrong to label it a macro-economic policy, it was rather an economic growth strategy.

The introduction of AsgiSA could be interpreted as a form of first order change, the adjustment of levels within an existing policy GEAR, as the change did not temper with the overall macro-economic policy instrument and its goals (Hall, 1993). AsgiSA hoped to enhance economic growth by alleviating constraints within the identified economic sectors.

4.6 The New Growth Path (NGP): The Framework (2009)

The internal politics of the ANC resulted in a change of guard in the party following an elective conference in Polokwane in 2007. The triumph of the left leaning faction of the Tripartite Alliance and the ascendance of Jacob Zuma to the ANC presidency was construed as a victory of socialism over neoliberalism as President Thabo Mbeki, the supposed architect of GEAR, was ousted in the event dubbed a Waterloo of sorts (Presidency Economist, August, 2014). It is worth highlighting that the Polokwane Conference of the ANC raised expectations amongst many that there would be a radical departure and ushering of a new alternative economic path since GEAR the so called neoliberal policy of 1996. Consequently, AsgiSA was transitory as it was supplanted by the New Growth Path (NGP) in 2009 (Gumede, 2012).

In agreement, a former Deputy Director General at the Presidency (August, 2014) argues that AsgiSA had a brief period of implementation and it would be a challenge to provide a full evaluation of the programme as it was replaced by the New Growth Path (NGP).

Decent work was conceived to be at the core of a new economic programme that President Jacob Zuma introduced in his first State of the Nation Address of June 2009 (Presidency, 2009). The new policy aimed at employment creation, inclusive growth and enticing investors (Presidency, 2009, p.1). The New Growth Path (2009) attempted to devise a new labour intensive programme which also stressed employment creation and decent work⁷⁰ (Gumede, 2012). The document set ambitious targets of reducing unemployment at least by 10% via a public infrastructure programme and creating 5 million jobs by the year 2020 (Gumede, 2012, p.2). Following the Polokwane conference of 2007 there was a big talk about a fundamental departure from the neoliberal path (Former Deputy Director General, Presidency, August, 2014). With the 2009 elections came the NGP with its attendant sub-programmes such as the Industrial Policy Action Plan 2 and the NGP became the new blueprint (August, 2014). The NGP was not however fundamentally driven by the Presidency, unlike ASGISA, it was driven by the new Department of Economic Development (DED) (August, 2014).

This new department, DED, created after the reconfiguration of state institutions in 2009 was led by Minister Ebrahim Patel, a former COSATU trade unionist (August, 2014). The appointment of Patel might have appeased trade unions and leftists within the Tripartite Alliance as the gesture indicated submission to their demands as they now felt represented in this new important economic policy portfolio. However, a former Deputy Director General in the Presidency (August, 2014) contends that the NGP does not say anything radical, not in the economy, not in education and that the expectation was that after the conference (2007) there would be a fundamental shift.

⁷⁰ The NGP was presented as a new platform targeted at restructuring the economy for optimal performance, creation of decent work, labour absorption, poverty eradication and reduction of inequality (Presidency, 2009, p.1). It was certainly introduced as an aggressive and transformative programme that would change the face of the South African economy (Presidency, 2009).

“It is important that a macro-economic policy makes certain fundamental declarations about social justice issues; in a country like ours that needs to be reformed, if you make a macro-economic pronouncement whose strategic intent is not to help society move towards social justice so then you are doing it for yourself because inequality will persist” (August, 2014).

The NGP does not fundamentally depart from the two policy statements (GEAR and AsgiSA) that it succeeds to the extent that it does not make any declaration if that is what was expected (Former DDG, Presidency, August, 2014). For the critics, the NGP was going to achieve social justice, however social justice is not its premise, remember that for the RDP the premise was social justice, as it would manifest itself through the provision of basic services including education (August, 2014). Again, the NGP like the others (GEAR and AsgiSA) puts growth first, it is called the ‘New Growth Path’, it is not called the ‘New Distribution Path’, it is not an anti-poverty programme and then it gets implemented through sub-sectoral programmes such as the Industrial Policy Action Plan (August, 2014).

The proclamations made by the NGP on macro-economic policy fail to be cogent enough to explain its intentions. The NGP claimed that; monetary policy would be targeted at employment creation and economic growth with the assistance of a competitive exchange rate policy, reduced capital costs, a controlled fiscal policy and restructured public expenditure (Presidency, 2009). The document further contended that its approach to micro-economic policy would entail promoting competition, increasing equity, and reducing pressures caused by inflation whilst supporting macro-economic policy interventions (Presidency, 2009).

A former Presidency economist (September, 2014) argues that on fiscal and monetary policy there is not a huge difference, the only significant difference is that in the NGP and in AsgiSA, there is a strong focus on the exchange rate and competitiveness, which basically suggests that the monetary policy should try to avoid the over-valuation of the currency in order to enable local industry to be competitive, overall there are no huge changes.

The Deputy Governor of Reserve Bank (August, 2014) illuminates that the NGP extracted two things out of AsgiSA. Firstly, AsgiSA had an infrastructure investment programme as a way of alleviating the constraints, investment in ports, energy, roads, rail and so forth (August, 2014). Accordingly, “the NGP took that component, which is what they will never acknowledge, that is what they did, but basically they lifted the infrastructure investment programme of ASGISA and packaged it in as the NGP” ⁷¹(August, 2014). When one looks at the NGP and zeroes into the infrastructure spend programme, one may ask what has changed from what was on the table except that it was called the NGP.

Secondly, the NGP also incorporated counter-cyclical policies, macro policies, because it talks of a tighter fiscal policy and loose monetary policy, which were essentially the recommendations of the International Growth Advisory Panel (IGAP) (August, 2014). Eventually the NGP ended up being an infrastructure management programme, the implementation of the NGP morphed into the Presidential Infrastructure Coordinating Committee (August, 2014). The introduction of the NGP was another attempt at first order change, but due to its amorphous nature and appropriation of elements from AsgiSA it was far from tempering with the prevailing macro-economic framework.

Nevertheless, the period of the introduction of the NGP also saw the reconfiguration of state institutions with the introduction of departments such as Economic Development, Small Business, Rural Development and Land Reform, Defence and Military Veterans, amongst others. The new institutional arrangements could be viewed as cosmetic from a macro-economic policy framework point of view as all of them targeted ‘non-core’ departments that pertain to micro economy related sectoral departments. Despite the rhetoric of radical social and economic transformation that accompanied the Polokwane conference of 2007, the macro-economic policy framework since GEAR and its concomitant institutions such as National Treasury and the Reserve Bank has remained intact.

⁷¹ Another Presidency economist (August, 2014) concurs that the NGP still emphasises infrastructure investment, and that there is key continuity between AsgiSA and the NGP, in more or less exactly the same areas even on, road, rail, and energy, power, AsgiSA articulates the same thing.

4.7 National Development Plan (NDP): Vision 2030 (2011)

The National Development Plan: Vision 2030 was introduced on November 11, 2011 by Trevor Manuel (MP) Minister in the Presidency (Presidency, 2011). The plan, aimed at reduction of inequality and eradication of poverty by the year 2030, purported to be a new development trajectory for the country⁷² (Presidency, 2011).

In a televised address (August, 2012) Minister Trevor Manuel asserted that the NDP arose out of the Polokwane conference resolutions in 2007 which also recommended for the establishment of a National Planning Commission (NPC) which was accordingly realised in 2010 (CNBC Africa, 19 December 2012). The NDP is a broad plan which entails addressing, inter alia, issues of the economy and empowerment, economic infrastructure, low carbon economy, inclusive rural economy, human settlements, improving education, innovation and training, promoting health, social protection and creating a capable state to mention but a few.

A former economist at the Presidency (August, 2014) argues that the NDP is a holistic policy statement; it deals with infrastructure, investment, employment creation, and poverty eradication, while the RDP did not emphasise enough some of those other areas. The NDP claims, inter alia, that a stable and enabling macro-economic platform would underpin sustainable growth and employment creation (Presidency, 2011, p.120). Within a framework of a floating exchange rate, approaches to protecting firms from Rand volatility would be explored. The document further contends that macro-economic policy serves as a foundation for growth and development. A crucial role for macro-economic policy is to minimise the cost of shocks to the economy, especially its impact on workers and the poor (Presidency, 2011, p.120).

A Deputy Governor at the Reserve Bank (September, 2014) points out that the NDP mainly deals with the micro components and those are the difficult long term structural issues.

⁷² The document reiterated the centrality of the RDP in the cause of poverty eradication, and building a democratic, non-racial and non-sexist South Africa (Presidency, 2011). The programme aimed to continue pursuing principles of inclusivity in government action and expenditure as espoused by the RDP (Presidency, 2011).

Accordingly, the informant notes that the NDP does not talk about the macro-economic policy at all; “it does not even get there” (September, 2014). Another Reserve Bank economist (August, 2014) claims that there is very little wrong with macro-economic policy; the key problems are micro economic policy, around state capacity, around micro policies in transport, in housing, education, infrastructure, competitiveness, etc. Apparently the micro economic features were indeed the shortcomings of GEAR. Whilst awaiting the full implementation of the NDP the Deputy Governor (August, 2014) reflects that GEAR did not succeed in creating the million odd jobs that it was supposed to create, and the reason was not hard to find, jobs do not come from macro policies, jobs come from micro economic reform policies, it is thus taking the sectors and getting into each one of them and identifying what is constraining each sector from growing and then alleviating those constraints⁷³.

Furthermore, looking at the successive policy statements after GEAR; AsgiSA, the NGP as well as the NDP, none of them says the country should change the basis of exchange rate policy, even stop inflation targeting, in all the signalling the key elements of the fiscal and monetary policy, there were no huge changes through all those three policy documents (Reserve Bank Economist, August, 2014).

The SARB Economist claims that “As of 2014 the country is still in some elements of GEAR, there is still a commitment on fiscal discipline, which has to be there, it is unrealistic to move away from that, now more so than at that time, without fiscal discipline foreign investors are going to punish you” (August, 2014). “If the country fails to adhere to fiscal discipline it would be compelled to rely on domestic sources of funding, that means higher taxes, or repression, institutions to lend to government, and that becomes a low growth” (August, 2014). The NDP was crafted with the assistance of the newly established National Planning Commission. Similarly to its predecessor the NGP, the NDP’s attempt at introducing first order change lacked cogent articulation save for saying there was a diagnostic report which outlined the country’s challenges.

⁷³ The Deputy Governor argues that GEAR met its macro-economic targets in terms of achieving the deficit that was set, getting inflation under control, arresting the growth in debt as a percentage of GDP in those areas it was a success (September, 2014).

The Introduction of the NDP was accompanied by an enhanced onslaught of rhetoric of radical social and economic transformation. The NDP had a massive publicity campaign that sought the buy-in of all stakeholders from the corporate sector to civil society organisations. Media reports aimed at promoting the policy also revealed a rift within the Tripartite Alliance as some unions rejected the policy as neoliberal.

4.8 Conclusion

This case study is an illustration of the exercise of conjunctural state autonomy in South African public policy. The narratives hereby presented reflect the justification of policy choices and institutional reforms by elite informants within the bureaucracy and the governing party the ANC. The emergence of conjunctural state autonomy occurs under the historical context of transition and the introduction of the post-apartheid dispensation as well as within the dominant neoliberal framework of ideas. From the Ready to Govern document in 1992 to the GEAR strategy in 1996, this thesis outlines the conditions under which macro-economic policy formulation occurred including the pressures, tensions and contestations of ideas within the Tripartite Alliance.

The exercise of relative state autonomy demonstrates how state bureaucrats authoritatively justified their policy choices utilising the state machinery and clout thus gaining an upper hand and last word on policy narratives over leftist interests such as organised labour (COSATU) and the South African Communist Party. Despite attempts to reverse the policy choices that dominate policy-making after 1994, the leftist interests after 2007 failed to dislodge orthodoxy in macro-economic policy. The major theme that emerges from this chapter is thus the dominance of monetarism and failures to effect third order change characterised by a paradigm shift. The formulation of GEAR and the subsequent policy statements confirm that incremental policy change occurs within the dominant monetarist framework of ideas.

This chapter has outlined the conditions and events that precipitated the emergence of the GEAR policy in 1996. The circumstances under which the policy occurred as well as its main goals and the ideas that informed them are highlighted.

Furthermore, this chapter has outlined the main policy goals of GEAR and the constituent policy instruments employed in the implementation of the policy.

It has been established from the majority of interlocutors in this study that GEAR was primarily a macro-economic policy that pursued an orthodox or monetarist policy framework in order to ensure stability and continuity of previous policy goals of fiscal discipline and reduction of current account deficit and inflation targeting amongst other pursuits. According to Peter Hall (1993, p.277) it is the results of preceding policy that trigger the reaction of policy-makers in the form of new policy instruments and not the immediate prevailing conditions and pressures of the time. Thus it is past policies that invariably and significantly shape the responses and principles of policy-makers (Hall, *ibid.*). One important factor to the policy decisions made over the past two decades has been the notion of contestation of ideas. A Reserve Bank economist (August, 2014) reflects that as far back as the MERG policy formulation there was a lot of contestation, and this was between the internal group (those that were based in the country during apartheid) and the exile group. Whilst working on a chapter of MERG one individual from the exile group allegedly made a comment “I don’t care what you write, as long as you say we are going to allow for high inflation and high fiscal deficit so that we don’t impede growth, I know you are going to argue with me, saying it would cause depreciation, it is difficult to control all these things, the exchange rate, if you don’t have reserves” (Reserve Bank Economist, August, 2014).

Another member of the ANC DEP (September, 2014) observes that there were different schools of thought, capitalists, religious people, people who were strongly bent on socialist values, even ideologically in terms of race, you had Africanists there, it was a melting pot of ideas that existed at the time, all these ideas were consistently contested and at different times, different groups were dominant in the discourse of policy.

A former Director General and member of DEP (September, 2014) also opines that all the policy documents were products of ideas and interests that are in contestation. So quite often one would find contradictions, in fact, it would be surprising not to find contradictions within some of the documents.

“There is something particularly South African about a lot of these, the nature and the way in which they were as the ANC used an inclusive approach obviously because of the way transition took place” (Former Director General and member of DEP September, 2014).

The informant contends that all policies were contested, moreover, he invariably attempted to resist putting ideas into boxes according to ideology, it was not helpful, may be useful to a limited extent but more likely to cloud analysis particularly around GEAR, “people look back at that period and caricature policy makers, it was a more complex set of considerations”⁷⁴ (Former Director General and member of DEP, September, 2014).

GEAR followed a trajectory of past policy not only at goal level but also at institutional level judging by the measure of arrangements that were introduced to ensure a smooth transition and modicum of continuity from the apartheid regime to the democratic dispensation. Within the two institutions at the centre of macro-economic policy, the National Treasury and the Reserve Bank, it was imperative that stability of the highest degree was maintained⁷⁵. Accordingly there was significant retention of personnel during President Mandela’s term from 1994 with the appointment of Chris Liebenberg, a professional banker, as Finance Minister in September of 1994 following the resignation of Derek Keys (Hirsch, 2008, p.66-67).

⁷⁴ “For example looking at proposals for Eskom privatisation and the involvement of private sector players in electricity generation that was contested, that was one of the reasons why government never came to form decisions. The 1998 Energy White Paper outlined electricity restructuring, but when it came to implementation, those parties that were affected by it positively and negatively mobilised against that, and there was no decisive element of policy. With the NGP there was a similar context, there were policies that were not necessarily adopted by the Mbeki administration, in the context of the contestation around the change of government and what was happening within the ANC, some of those policies and ideas were approved and consolidated within the NGP” (Former Director General and member of DEP, September, 2014).

⁷⁵ A Deputy Governor (September, 2014) contends that coordinating macro-economic policy is not difficult; there are only two institutions that one can convene in a single room, to get it done. “Although you can always argue that with the exchange rate policy the Treasury can always influence it in the main because most of the time you will find the Reserve Bank to influence the exchange rate it might decide that we want to buy more reserves for example, and then you say to the Treasury we need the resources to buy the reserves, then that is where the Treasury would come in, otherwise the exchange rate policy is the preserve of the monetary authorities” (September, 2014).

The governor of the Reserve Bank Dr Chris Stals was furthermore retained in his position by President Mandela; Stals went on to complete a ten year term at the central bank having served from the last years of apartheid, August 1989 to November 1999 (Hirsch, 2008). It was only when Liebenberg resigned as Minister of Finance in April of 1996 that the ANC had its own member as the incumbent in the portfolio. Trevor Manuel, the first ANC Minister of Finance served in the position from 04 April 1996 to May 2009 with Gill Marcus serving as his Deputy from 1996 to 1999.

For the Reserve Bank, it was only in 1999 that the ANC had its first member, economist Tito Mboweni, occupying the position of Governor⁷⁶. It has been noted from a policy regime perspective that change and stability can be simultaneously achieved based on organisational aspects, prevailing paradigm and exercise of power (Wilson, 2000). The point being conveyed in this passage is that between the two organisations there has been enormous retention of institutional memory where a small team of officials who share a common background of predominantly serving at the National Treasury have been at the epicentre of macro-economic policy making in South Africa for about two decades. Policy stability is accordingly contingent on a number of factors including the bureaucracy and politicians' disposition to the regime, prevailing policy paradigm, institutional arrangements as well as broader stability within power relations (Wilson, 2000). While numerous environmental conditions might be important, the aptitude of the state to withstand societal pressures and assert its autonomy through action remains at the centre of theories of change (Hall, 1993). Considerable autonomy of the state has been identified as critical in the origination of policy goals away from pressures brought by societal interest groups (Hall, 1993).

⁷⁶ Gill Marcus moved from the National Treasury to become Mboweni's Deputy Governor in 1999 (SABCNews, 2014). When Tito Mboweni's term ended in November 2009, he was succeeded by Gill Marcus who was to serve only one term until November 2014 (SABCNews, *ibid.*). Former Director General of the National Treasury Lesetja Kganyago joined the Reserve Bank in 2011 as Deputy Governor. In November 2014 Kganyago succeeded Marcus as the Governor of the central bank (SAGNA, 2015). One of Kganyago's Deputies is Kuben Naidoo who was previously with the Financial and Fiscal Commission as well as the Budget Office at the National Treasury before being appointed Advisor to the Governor of the Reserve Bank in 2013, Naidoo subsequently became a Deputy Governor in 2015 (SAGNA, 2015). Coincidentally, senior leaders from both institutions have since joined international finance houses, former National Treasury Director General, Maria Ramos, went to lead Barclays Africa (M&G, 2009); former Finance Minister Trevor Manuel joined the Rothschild Group (EN, 2014), and former Reserve Bank Governor, Tito Mboweni was appointed to Goldman Sachs (M&G, 2010).

Historical institutionalist accounts support elitist interpretations' prowess in explaining the supremacy of state autonomy in determining the trajectory of the policy process and political outcomes (Hall, 1993).

The goals behind the GEAR policy have been maintaining macro-economic stability and employing prudent fiscal and monetary policies over the past two decades. It is safe to conclude that since the advent of GEAR there have been no radical shifts or wholesale changes to the hierarchy of macro-economic policy goals that would qualify as third order change (Hall, 1993). As demonstrated through GEAR, there have been consistent efforts aimed at macro-economic objectives such as reducing the fiscal deficit, budget deficit, lowering inflation as well as managing the balance of payments over the years. GEAR thus constituted first order change whilst there was preservation of the general policy objectives and instruments (Hall, 1993).

Decision making in post-apartheid macro-economic policy has indeed been incremental with policy makers engaged in cautious and uncertain moderate adjustments to current policies as a response continuous political pressures (Wilson, 2000). Again the introduction of AsgiSA in 2005 could be interpreted as signifying a form of incremental change, speculative augmentation and policy escalation (Wilson, op cit.) Unexpected change in policy decision-making cannot be explained through the lens of incrementalism, the latter is only useful for understanding long periods of stability (Wilson, 2000). The change of guard within the ANC in 2007 raised expectations that there would be radical ideological shift away from the monetarist paradigm.

The two successive policy statements, the NGP and the NDP have both proven to be non-starters in as far introducing an alternative macro-economic policy framework. Hall (1993, p.280) posits that contestations amongst rival actors and capacity to impose one's paradigm over challengers certainly contribute to the broader contextual political factors that are crucial for precipitating the departure from one paradigm to another. It may be true that for a protracted period there has been a motif of disillusion amongst the South African public as a result of continuing inequalities, poverty and unemployment.

The latter conditions of poverty and economic hardship might, to some extent, have discredited and weakened the prevailing policy regime but the stressors have continued without a requisite and ready alternative set of enablers to effect fundamental change (Wilson, 2000).

For the South African public, inequality, unemployment and poverty might have certainly proven to be significant policy failures for the ANC government; however, as much as they adversely affect people's lives on a daily basis, these factors have not as yet reached levels where they absolutely discredit the ANC as well as the prevailing policy paradigm (Hall, 1993). On the other hand the victory of leftist forces since 2007 has failed to provide an alternative policy agenda despite their ascendance into cabinet positions.

Macro-economic policy seems too arcane a subject for it to enter public discourse such that there would be a marketplace for economic ideas outside institutions such as the National Treasury and the Reserve Bank (Hall, 1993). Whilst there could be discussions of inflation targeting and fiscal discipline, it is still highly unlikely that macro-economic management can enter into public debate in a more penetrating and profound manner (Hall, 1993).

This chapter has been an attempt at tracing change within the macro-economic policy framework in South Africa from the period of transition, 1990 up to 2012 via narrative justifications of policy-makers. The chapter covers a period of just over two decades within which these changes have occurred. This chapter has made an effort to rely on primary material and utilise secondary literature on the subject very sparingly. One of the reasons of assuming the approach of predominantly relying on primary material is that South African public policy literature since 1994 has arguably been monolithic in that it has been inclined towards labelling policies such as GEAR as simply neoliberal without offering alternative instrumental explanations beyond that dogma. Through the configuration of conjunctural state autonomy the dominant monetarist paradigm takes centre stage demonstrating that policy change is an ideational affair. Whilst the post-apartheid ANC government has been criticised for pursuing a neoliberal policy agenda its detractors have not been able to offer any viable alternatives. The outcry against global capitalism, consumer culture as well as the obliteration of the assertive welfare state has contributed to the negative conception of neoliberalism amongst commentators and across society (Thorsten, 2009).

For many policy makers within the ANC the labelling of their policy efforts as neoliberal has put them on a back foot. In this study there were several encounters whereby informants expressed their disgust and disappointment at post-apartheid policy literature as well as commentators. A former Director General, Department of Trade and Industry (September, 2014) strongly argued, arriving at policy decisions during transition was indeed a struggle in itself, and it was not stark as if they just capitulated and gave in to neoliberal ideas, a lot more was happening. Being a functionary at the time made him very sensitive, he shared, asserting that he did not regard himself as a neoliberal, was open to criticism but the common notion and accusation of propounding neoliberal ideas made him uncomfortable (September, 2014).

“There are neoliberals who only think in a particular way who are completely insensitive to what is happening around them and many of them are in powerful positions, so it is necessary to call them to account but for those in the public service like myself it was a matter of trying to contribute to building the country” (Former Director General, Department of Trade and Industry, September, 2014). A former Governor of the Reserve Bank (October, 2014) cautioned against people trading insults and calling policy makers of the transition period ‘neoliberal’ and a ‘1996 class project’ based on GEAR as expressed by some members of the SACP. Another Reserve Bank advisor (August, 2014) categorically stated that it was utter nonsense to label post-apartheid public policy ‘neoliberal’.

A trade unionist from COSATU (September, 2014) underscores something unfamiliar which is that GEAR was focused on what were the elements of growth, ‘equity’, and not ‘employment’, ‘e’ in GEAR was for ‘equity’ as in fairness and not ‘employment’ as it is commonly understood and goes on to echo sentiments that it is unfair to label ANC officials at the time of GEAR as neoliberals. The Trade unionist asserts that as much as GEAR was much more aligned with the concerns of the market than the RDP, looking at people like Trevor Manuel, former Minister of Finance, he was not a free-marketer by any means (September, 2014).

Former Minister in the Presidency (October, 2014) contends that all those that are critical of the ANC and its policies can try to come up with something better and they are guaranteed an abysmal failure. As this chapter traces the footprints in the ANC's voyage through transition towards the democratic dispensation in 1994, it zeroes onto several policy milestones that were conceived and the change that occurred culminating in the GEAR strategy in 1996. From the outset at the unbanning of the ANC in 1990 there were sweeping assumptions amongst its members and followers that democratic transition would climax in the realisation of the Freedom Charter. Both the local and global economic climates were clearly opposed to the demands of the Freedom Charter; the ANC was thus forced to abandon the document and its prescripts on state ownership of key economic sectors (Ward, 1998, p.51).

Contrasting the post 1994 social and economic policies provides an exemplar that from an economic policy perspective in particular the new dispensation has failed to deliver on the stipulations of the Freedom Charter (Ward, 1998, op cit.). One may certainly conclude that for decades well into the transition period and beyond, the Freedom Charter had been perceived by the ANC and its followers as the alternative paradigm to the prevailing monetarist framework. The advent of the ANC's Ready to Govern document of 1992 could indeed be perceived as the unravelling of its long revered policy paradigm premised on the Freedom Charter. As commentators such as Habib (2013) had argued, the Freedom Charter had failed to provide a trenchant and coherent alternative.

Moreover, as Hall (1993) postulated, the ascension of new or alternative paradigm could not be predicated on a scientific basis of its own intricacies alone, the circumstance visited by the transition on the ANC including the collapse of the Soviet Union spelled ideological doom for the organisation. The Interim Constitution of 1993 maintained the independence of the Reserve Bank and this development, which was hardly contested, signified the trajectory that was to be followed in the democratic era. The RDP base document early in 1994 performed excellently in mobilising support for the ANC but its socialist rhetoric would not suffice to propel it to the centre of macro-economic policy after 1994.

The capitulation and drift away from the Freedom Charter was affirmed by the ascendance of the RDP White Paper in late 1994. Lastly, the monetarist framework regrouped and received formal approval with the introduction of GEAR in 1996.

From the hierarchy of policy goals to the introduction of policy instruments and institutional arrangements, this chapter has presented the nature and types of change that occurred in South Africa beginning with the unbanning of the ANC in 1990 to the formulation and approval of GEAR in 1996. Using predominantly primary material, this presentation has followed the process of policy formulation and decision making through detailing the events and actions from the first-hand accounts derived from the foremost architects of public policy in the making of a democratic South Africa.

The chapter captures the tensions, contradictions, uncertainty and puzzlement that is characteristic of policy formulation as it borrows from elite narratives on how change ought to be understood via the contestation of policy ideas and the conditions under which change occurs. The incremental nature of policy change as presented in the chapter does not end with GEAR in 1996 but recurs through the successive policy statements such as AsgiSA, the NGP and the NDP. Whilst there have been numerous stressors and shocks to the prevailing macro-economic policy framework, stability has been maintained and no resolute alternative paradigm has arisen to challenge the fundamentals put in place by GEAR for almost two decades. Adherence to the monetarist paradigms prevails throughout the period covered by this thesis.

Chapter 5 Meeting Basic Needs: The Case of the Free Basic Electricity (FBE) Policy in South Africa.

5.1 Introduction

The Free Basic Electricity (FBE) Policy was introduced in 2003 after a few years of development. The main objective of this second case study is to conduct an empirical analysis of the formulation of the FBE policy in South Africa after 1994 by exploring narratives of elite informants involved in the process. Once again this thesis outlines justifications for policy choices undertaken as expressed by senior bureaucrats and politicians. Through the narrative justifications of elite informants, the historical context and the dominant framework of ideas, this case study details the exercise of relative state autonomy by senior politicians and bureaucrats in the post-apartheid state. The configuration of ‘conjunctural state autonomy’ which is the major organising concept of this thesis provides the setting for the conditions under which policy change occurred at micro policy level through FBE amongst others.

This chapter presents a detailed chronological timeline providing the historical background and the series of events that triggered change. In its quest to illuminate milestones in the formulation of the policy, this chapter relies on elite interview accounts and supporting evidence is extracted from secondary data. Primary and secondary data are integrated to form a coherent argument.

The analytical contribution of this chapter is attained through the usage of the binary of macro/micro policies. This heuristic proves to be productive as it explores the relationship between macro-economic policy and micro-policy FBE. Moreover, this heuristic stresses the distinctiveness of each policy field as it contrasts the FBE policy with the macro-economic policy framework which is at the centre of the policy infrastructure. Additionally, this macro/micro heuristic illustrates that at micro policy level, a policy such as the FBE is particularly characterised by first and second order forms of incremental change. This micro policy proves to be dissimilar from the macro-economic policy framework where not only incremental change occurs but also third order change or a paradigmatic shift.

The incremental policy change that occurs at micro level is largely path-dependent and is enabled and constrained by historical policy choices.

Firstly, this chapter presents the process of policy formulation by tracing the origins of FBE drawing primarily from elite interviews. Narratives have been extracted from officials and politicians at national as well as local government level, i.e. the Department of Energy, Eskom, South African Energy Development Institute (SANEDI), Tshwane Metropolitan Municipality and the City of Johannesburg Metropolitan Municipality.

Secondly, this chapter outlines the types of incremental change that have occurred towards the existence of the policy and its consequent promulgation. Again this chapter relies on primary data gleaned from the key informants and supportive secondary data which include Hansard reports to relate the events and conditions that precipitated policy change.

Thirdly, this chapter, like the preceding ones, is based on and guided by the research design, i.e. Chapter 3, which articulates the major and subsidiary questions of the research study, which inter alia, ask “*How is Public Policy Formulated in the Post-Apartheid South African State?*”

As a synopsis, this chapter presents, inter alia, three major forms of change, namely; the nexus of policy goals, policy instruments and institutional arrangements that facilitated the developments that emerged and eventually culminated in the promulgation of the Free Basic Electricity (FBE) Policy in 2003. It demonstrates how a broad policy goal, namely, meeting basic needs, came into being and was retained with certain adjustments through several policy instruments over time and under changing conditions after 1990 following the unbanning of the African National Congress (ANC) as well as during the democratic dispensation after 1994. Institutional arrangements for the implementation of the policy are also presented systematically. Lastly, this chapter illustrates the policy amendments that have occurred after the policy came into effect through further adjustments at both national and local government levels after 2003.

Energy Related Public Policy Timeline	Year
20. The Transvaal Power Act of 1910	• 1910
21. Electricity Act (Act No.42 of 1922)	• 1922
22. Electricity Act (Act No. 41 of 1987)	• 1987
23. Ready to Govern (ANC, 1992)	• 1992
24. Reconstruction and Development Programme (ANC,1993)	• 1993
25. Constitution of the Republic of South Africa (Act No. 108 of 1996)	• 1996
26. White Paper on Energy Policy (DME, 1998)	• 1998
27. White Paper on Local Government (DPLG, 1998)	• 1998
28. Local Government : Municipal Structures Act (Act No. 117 of 1998)	• 1998
29. Public Finance Management Act (Act No.1 of 1999)	• 1999
30. Local Government: Municipal Systems Act (Act No. 32 of 2000)	• 2000
31. Eskom Conversion Act (Act No. 13 of 2001)	• 2001
32. Free Basic Electricity Policy (DME, 2003)	• 2003
33. Local Government: Municipal Finance Management Act (Act No. 53 of 2003)	• 2003
34. Free Basic Alternative Energy Policy (DME, 2005).	• 2005

Figure 2.

5.2 The Free Basic Electricity (FBE) Policy: Defining the Policy Instrument

The Free Basic Electricity (FBE) Services policy was introduced on 04 July 2003 in the government gazette by the then Department of Minerals and Energy (DME) ⁷⁷(RSA, 2003). This policy instrument was aimed at expediting the execution of Free Basic Electricity (FBE) Services by Municipalities as Service Authorities (RSA, *ibid.*). The FBE policy was declared operational from 01 July 2003 (RSA, 04 July, 2003). A new financial year conventionally begins on the 1st of July for South African local government, the sphere of governance responsible for the implementation of basic services (Joseph, 2002).

In accordance with the FBE policy, government identifies poor and qualifying households based on a set standard and these receive the stipulated free electricity allocation officially known as the Electricity Basic Service Support Tariff (EBSST) (RSA, 2003).

⁷⁷ The Department of Minerals and Energy (DME) was split into two departments following the 2009 general election. Consequently two separate departments were formed, namely, the Department of Minerals and the Department of Energy. For the purposes of this study and for historical reference, within this thesis old terminology is still employed where necessary.

The allocation is respectively stipulated as 50Wp output for non-grid connected households and 50kWh for eligible grid-based citizens linked to the system (DME, 2003). The terms ‘free basic electricity’ and ‘EBSST’ are frequently used interchangeably in government and other literature. The year 2012 was set as the target timeframe for the achievement of universal access to basic domestic electricity services (Hansard, 11 June 2003).

Whilst the official implementation of FBE had been planned for 01 July 2003, a number of municipalities had already resolved to roll-out the programme much earlier (Hansard, 05 March 2003, p.130). At this point, the DME approximated that 20 municipalities were in varying stages of implementing the policy (Hansard, *ibid.*). Accordingly, before the official roll-out of the policy, municipalities had used their own funds as well as the equitable share to provide free basic water and electricity (Hansard, 05 March 2003). For the 2003/04 financial year, an allocation of R300 million was reserved for the provision of free basic electricity to needy households by the Ministry of Provincial and Local Government (DPLG) (Hansard, 11 June 2003, p.2489-2490). Essentials such as water heating, lighting, media access and ironing for the grid-connected households as well as for the non-grid users were reckoned feasible with the allocated energy amount of 50kWh (DME, 2003).

National government remains answerable for FBE policy development, the power utility Eskom provides electricity only in areas where they are authorised, whilst local government has the overall constitutional mandate for the provision of electricity services (DME, 2003). As a matter of course, FBE formed a constituent part of the provision of free basic services by government, i.e. electricity, water and sanitation. The then Minister of Minerals and Energy, Phumzile Mlambo-Ngcuka, informed parliament that with regards to access to basic services, government prioritised indigent households (Hansard, 28 March 2001)⁷⁸.

⁷⁸ The Minister defined an ‘indigent household’ as a home receiving an income below R800 per month (Hansard, 28 March 2001). It should be noted that there has always been inconsistencies on the definition of an ‘indigent household’ and poverty lines, for example in another Hansard report (11 June 2003, p.2448) a poor household is defined as a household earning less than R1100 per month. On the other hand some municipalities such as Tshwane (Municipal Executive, July 2014) an indigent household is defined as a household with a combined income that amounts to two state pension cheques or \pm R1200 whilst the City of Johannesburg uses a per capita methodology that looks at individuals.

Subsequently, as part of government effort to meet its priorities of poverty alleviation, funding was set aside for self-targeting poor households, where a household was defined as a domestic resident with a legal connection point to the electricity grid (DME, 2003, p.8). Furthermore, the policy stressed that any consumption that exceeds the stated free basic service amount would be paid for by the consumer (DME, *ibid.*). For that reason, government would implement stringent policy implementation measures and regulations (DME, 2003). As one Project Manager (July, 2014) on the FBE Task Team asserted, the National Treasury advised that the funding for the FBE service could not be budgeted for at the DME but would rather fall under the Division of Revenue Act⁷⁹ as part of the allocation that is designated for municipalities or equitable share of national revenue.

An FBE policy Task Team member (July, 2014) states that FBE as an intervention emerged around 2000 as part of the annual Programme of Action (POA) of government. After 1994, the electrification programme had proven to be a success, people had access to electricity but it was soon established that the indigent in particular could not afford to pay for the electricity that they finally had access to, and therefore there was a need for a social intervention to ensure that people could afford electricity services (FBE Policy Task Team Member, July, 2014).

The undertaking of a share of free basic services, comprised of a minimum of 6, 000 litres of water a month and 50 kWh⁸⁰ of electricity per household for eligible residents, was introduced through the local government elections manifesto of the ANC in 2000 (Ruiters, 2011, p.120). The ANC government identified the goal of human development as a priority and accordingly worked towards its realisation via the establishment of universal access to services (Wentzel, 2005).

⁷⁹ The Division of Revenue Act (DORA) provides for the execution of section 214 (1) of the Constitution (Act No. 108 of 1996) in respect of each financial year (RSA, 2013). As a matter of course the Division of Revenue Bill is presented together with the national budget by the Minister of Finance (National Treasury, 2015, p.1). The recommendations of the Financial and Fiscal Commission (FFC) on constitutionally directed budget allocations are presented parallel to the DORA (National Treasury, *ibid.*). The Intergovernmental Fiscal Relations Act (Act No. 97 of 1997) directs the process of intergovernmental budgeting as of 01 January 1998 (National Treasury, 2015, p.1).

⁸⁰ According to Adam (2010, p.16), a study conducted at the University of Cape Town revealed that 56% of households in South Africa utilised electricity below 50kWh each month. One major shortcoming of the study was that it did not specify the reasons behind the usage of less than 50kWh each month which had been ascertained to be sufficient household essentials such as heating and lighting (Adam, 2010). It had been argued that 50kWh was adequate for a decent living (Adam, *ibid.*).

The official declaration towards the provision of free basic services to disadvantaged households was eventually made by government in 2000 (RSA, 2003). An FBE Task Team member asserts that with regards to electricity in particular, two pressing problems had been identified, firstly, many poor people had no access to electricity infrastructure, and secondly, people could not afford to buy electricity (July, 2014). Disadvantaged households would profit from a government programme which included energy, sanitation and water (RSA, 2003).

Following the first local government elections in 2000, it was anticipated that the 284 newly formed municipalities would roll-out free basic services from the beginning of the new municipal financial year on 01 July 2001 (Joseph, 2002, p.2). At this point there was still no official government policy stipulating how the allocation of free 6kL water and 50kWh electricity would be implemented by local authorities for the benefit of the impoverished residents (Joseph, *ibid.*). One informant from the FBE Task Team (July, 2014) concedes that government, through the DME commissioned research into the feasibility of providing free basic electricity to the poor where a study was conducted in partnership with the University of Cape Town which was represented by Professor Trevor Gaunt who led the research⁸¹.

Schedules 4B and 5B of the South African Constitution categorise allocation of free basic services as a remit of local government (RSA, 1996a; Joseph, 2002). A decent life which is free of hazards would be enabled through the provision of services as prescribed by the Municipal Systems Act (Act. No.32 of 2000) (Joseph, *ibid.*).

Essentially free basic services were regarded as an extension of government's social development mandate (RSA, 2003). The DME's proposition for the formulation of the EBSST policy was finally acceded to by cabinet in 2001 (RSA, 2003).

⁸¹ The Electricity Basic Services Support Tariff (Free Basic Electricity) research with the University of Cape Town comprised field research which included a pilot study of about 13 villages, rural and urban areas and investigated the feasibility of providing to the poor as well as coming up with criteria of determining eligibility (FBE Task Team Member, July 2014). The study was conducted between 2001-2003, and eventually resulted in a policy being drafted. The terms of reference for the research were published in 2003 and thereafter the policy was formulated (FBE Task Team Member, July 2014).

As part of the proposal from 2001, the DME would allocate a maximum of R48-00 per household on the non-grid system through the National Electrification Programme (NEP) and Equitable Share funding whilst 50kWh would be provided for grid connected households per month with the proviso that any consumption exceeding the stated allocation would fall onto the stepped or concomitant blocked tariffs (RSA, 2003). In future the consumer would pay for the balance after operational and maintenance costs had been calculated (RSA, 2003). Overall, government subsidy is constituted of two elements, one, the monthly operational 50kWh allocation, and two, the electrification process financed via a capital subsidy per connection (approximately R3500) (Wentzel, 2005).

It had been noted in the RDP document (1993) that 4000 clinics and 19000 schools (86% of the total) had no access to electricity despite the availability of unused energy capacity, at the same time only 36% of homes were electrified (ANC, 1993). Universal access was accordingly the key objective of ANC government's successful policy as they endeavoured to address historical discrepancies particularly the welfare of the needy rural and urban communities through the electrification programme (Alfstad *et al.*, 2006). The electrification programme and FBE in particular have had a positive impact on the welfare of communities resulting in improvements in health and safety, savings, purchases of appliances, and a move towards poverty reduction (Wentzel, 2005).

The study of South African energy policy can be separated into three phases, namely apartheid (1948-1994), introduction of democracy (1994-2000) and lastly full-fledged democracy after 2000 (Davidson, 2006; Bekker *et al.*, 2008). The democratic phases have been noted for their focus on redress for historical injustice; on the other hand the preceding apartheid phase was preoccupied with energy security due to the pariah status of the country (Davidson, 2006). The transition period brought to the surface a number of urgent matters that called for the reform of the energy sector in preparation for the future, the various aspects of the industry including distribution were targeted for corrective measures (Eberhard and Mtepa, 2003).

5.3 History of Electricity in South Africa before 1994: A Contextual Background to the Free Basic Electricity (FBE) Policy.

The emergence of the FBE policy forms part of South Africa's history where oppressive and separatist policies of the apartheid regime had resulted in conditions of abject poverty for the black majority (FBE Task Team Member, July 2014). In their thesis on the South African economy, Fine and Rustonjee (1995, p.5) contend that a 'Minerals-Energy Complex' (MEC) is at the centre of the economy and accordingly this edifice holds sway throughout the political and economic landscape. The MEC could be loosely interpreted as a structure comprised of the mining industry, the energy sector and their corresponding value chains in which electricity also forms an integral part⁸² (Fine and Rustonjee, 1995, p.5). A member of the FBE policy task team relates access to energy as generally a socio-political matter that is inextricably linked to South Africa's segregationist past from colonialism to grand apartheid whereby government services were designed to exclude the black majority whilst servicing a few privileged whites (July, 2014).

The end of the 19th century saw a growing demand for coal-fired electricity due to mining operations in Kimberley and Johannesburg (Worthington, 2009). While the domestic electricity industry excluded the black majority, at the dawn of democracy the South African economy was so highly electricity-concentrated and reliant by global standards such that its per capita use levels exceeded those of some industrialised countries such as the United Kingdom (Fine and Rustonjee, op cit., p.8). The issue of the exclusion of the black majority from accessing electricity and other resources during both the colonial and grand apartheid periods cannot be overstated. Critical industries such as mining, agriculture, chemical producers, as well as the white minority, were naturally favoured by the apartheid energy policies (Malzbender and Kamoto, 2005, p.1). It is irrefutable that the South African economy depended on low-cost electrical energy (McDonald, 2009).

⁸² It is notable that coal is very instrumental in the MEC as it forms about a third of all export commodities excluding gold, while over 50 % of this energy source is converted into electricity and more than 30 % is transformed into oil (Fine and Rustonjee, 1995, p.8). The country also depends on coal for 80% of its principal energy requirements (Fine and Rustonjee, *ibid.*).

Electrification in South Africa dates back to 1882 in the diamond mining settlement of Kimberley the first town ever to be electrified (Eberhard and Mtepa, 2003; Steyn, 2006; McDonald, 2009; Gentle, 2009). Although Johannesburg with its discovery of gold in 1886 had a reticulation system by 1891, Kimberley was the first South African town to install a reticulation system that could provide street lighting and power to public buildings (Eberhard and Mtepa, 2003; Gentle, 2009; McDonald, 2009). Reticulation systems accordingly reached the majority of South African urban areas by the 1890s (Eberhard and Mtepa, 2003). The construction of the first power station came as a result of collaboration between rich and technically savvy white mining companies as energy and mining coalesced to prompt industrialisation (Annecke, 2009).

It was the demands of the mining industry that shaped the course of electrification in South Africa (Gentle, 2009). As Gentle (2009) relates, the first power stations in South Africa, and around the Witwatersrand in particular, were formed by mining companies and some of the collieries themselves⁸³.

A Commission of Inquiry was set up in 1909 to investigate the matter of power utilities in South Africa at the instruction of the Governor General, the Earl of Selborne, and this was before the Union Act which created the Union of South Africa (Gentle, 2009). Consequently, the Transvaal colonial administration passed the Power Act⁸⁴ on 28 May 1910 (Gentle, *ibid.*). Over time electricity became entrenched as a technology in societal life and also followed social processes and contours of power (Annecke, 2009). As the world moved from steam to electricity, the next phase of electricity use was driven by the construction of railways (Gaunt, 2005; Gentle, 2009).

⁸³ These power stations were located in the towns of Randfontein, east rand (East Rand Proprietary Mines) and New Kleinfontein (Gentle, 2009). The General Electric Power Limited and the Rand Central Electric Works Limited were some of the privately owned power utilities around the Transvaal at the time (Gentle, *ibid.*). And using German venture capital from the Deutsche Bank and Dresdner Bank, Cecil Rhodes's British South Africa Company (BSAC) established the Victoria Falls Power Company (VFPC) in 1906 (Gentle, 2009).

⁸⁴ The act created a provision stipulating that the state would expropriate all power utilities after 35 years, the legislation also permitted for the operational expansion of the Victoria Falls Power Company (Gentle, 2009).

As the early 21st century saw growing industrialisation, there was also more necessity for electricity capacity as well as demand for the electrification of railways, this called for the standardisation of the entire power industry⁸⁵ (Eberhard and Mtepa, 2003). In order to broadly resolve the national power question and attend to concerns over railway electricity demands, the state revised the Power Act and appointed the Merz Commission led by British consulting engineers Merz and McLellan (Eberhard and Mtepa, 2003; Gentle, 2009).

In order to enable the founding of two new entities; namely, the Electricity Control Board (ECB), and the Electricity Supply Commission (Escom), the state passed the Electricity Act (Act No.42 of 1922) (Eberhard and Mtepa, 2003; Annecke, 2009; Gentle, 2009). Consequently, the state-owned electricity utility Escom was formed in 1923 to operate independent of government; the entity was to neither make a profit nor loss (Gentle, 2009). Meanwhile there was rapid and continuous electrification of white residential areas⁸⁶ (Annecke, op cit.). Wine farms and rural settlements in the Western Cape benefited from a massive electrification programme initiated by Escom in 1925 (Annecke, 2009, p.299). In the period 1933 to 1948 electricity usage as supplied by Escom rose five times (Gentle, 2009). The Victoria Falls Power Company (VFPC) became a state owned entity as it was integrated into Escom in 1948⁸⁷ (Gentle, 2009).

The Union years 1910-1948 were characterised by black oppression and exclusion. The year 1948 marked the end of the colonial segregation period and the rise of grand apartheid. Eskom was transformed into a state monopoly utility entrusted with electricity generation, transmission and provision departing from its role of regulating municipal and private entities (Gentle, 2009). While black communities and farm workers had no access to electricity by the 1970s, the Escom rural electrification programme reached about 38 000 white farms around 1977 (Annecke, 2009).

⁸⁵ The state was of the view that in order to attend to the country's energy demands there should be a national power utility (Annecke, 2009). The system was at this time fragmented comprised of 18 private power companies and 40 municipal entities (Gentle, 2009, p. 56).

⁸⁶ Black domestic workers who would have used electrical appliances in white areas alternated with using paraffin, wood and coal for heating and lighting in their own township and rural homes as the white middle class grew in the 1930s (Annecke, *ibid.*).

⁸⁷ Due to pressure from mine proprietors the expropriation of the Victoria Falls Power Company (VFPC) was brought forward by two years and no longer occurred in 1950 as specified in the Power Act of 1910 (Gentle, 2009).

White homes, which formed 11% of the population, as well as business and the military complex, were by the 1980s the main recipients of electricity from the long operational Escom (Davidson, 2006). Reforms effectively occurred in 1987 and these changes had serious implications for the future of the utility⁸⁸. The Electricity Act of 1987 and the Eskom Act of 1987 (Act No. 41 of 1987) were the new two pieces of legislation that were passed to reform the entity (Davidson, 2006; Gentle, 2009). This meant the dissolution of the old 'Escom' created by the Electricity Act of 1922 and the formation of a new utility⁸⁹ by the name of 'Eskom' (Gentle, 2009). There was no mention of redress and social justice in accessing electricity and the new Eskom Act simply focused on the functions of the utility such as cost-effective provision of energy (Davidson, 2006; Gentle, 2009).

Under the catchphrase 'Electricity-for-All', Eskom undertook a black residential electrification in 1987 (Gaunt, 2005; Greenberg, 2009). Despite having developed with economic intentions of providing cheap power supply to mines and railways, electricity policies evolved to incorporate the notion of 'social electrification' in later years (Gaunt, 2005). At least 25 000 new connections had been achieved by 1991 although the programme had been sluggish in the beginning (Greenberg, 2009, p.86).

As Eskom yielded to political pressures in the 1970s and 80s, the initiative of socio-economic electrification was developed to accommodate previously excluded communities including rural areas (Gaunt, 2005). As of 2016 Eskom ranked number seven globally as a state owned, vertically integrated monopoly providing low-cost electricity (Eberhard and Mtepa, 2003).

⁸⁸ There were some important developments around Escom in the late 1980s and these had an impact on the existence of the utility (Bekker *et al.*, 2008, p. 3127). The financial wellbeing of the utility featured strongly as a factor. The appointment of the De Villiers Commission in the mid-1980s was preceded by a crisis and this happened prior to the implementation of the electrification programme (Bekker *et al.*, *ibid*). The sluggish economy as well as increases in Escom tariff prices and the costing model prompted the impasse (Steyn, 2006; Bekker *et al.*, 2008). The newly established Eskom overcame its financial woes and was thus able to launch its huge electrification programme in the early 1990s (Bekker, *et al.*, *op cit.*). Eskom emerged a totally restructured entity freed from its previous mandate which had prohibited loss and profit making and this allowed the utility to present itself differently and positively to incoming post-apartheid government (Steyn, 2006; Bekker *et al.*, 2008).

⁸⁹ The Electricity Act granted local government exclusive remit in the provision of electricity at municipal level and also spelt out the structure, powers and functions of the Electricity Control Board (ECB) (Eberhard and Van Horen 1995, cited in Davidson, 2006).

5.4 The Transition to Democratic Rule and Access to Electricity: 1990-1994

It is well recognised that before 1994 South African energy policies had the sole aim of providing low-cost electricity to mostly white communities and various industries including agriculture, transport, mining, and commerce (Kessides *et al.*, 2007). The formulation and implementation of energy policies was informed by the principle of separate development and thus highly racialized (Kessides *et al.*, *ibid.*). The end of apartheid precipitated a shift in in energy policy development and institutional focus and this was the basis of the electrification programme in 1994 (Bekker, *et al.*, 2008). Neglected infrastructure provision and racialized differences between the rich and poor were the two key legacies of the apartheid system⁹⁰ (Bekker, *et al.*, 2008, p.3125).

The energy industry, especially in terms of provision and use, was directly affected by the political restructuring and reforms that were brought by the transition period in 1990 (Ziramba, 2008). The Eskom electrification programme was fast-tracked following the formation of the National Electrification Forum (NEF) in 1991–1993 as this structure concentrated on redress with regards to the provision of electricity services to residential areas (Ziramba, 2008, p.1). While the apartheid regime had heavily invested in electricity generation capacity, by the time of Eskom restructuring in 1987 there was still no nation-wide programme aimed at expanding access⁹¹ (Kessides *et al.*, 2007). The latter was in spite of having a Eskom as a utility with 55% reserve margin, a world-class infrastructure built in the 1980s, a track record of grid-connection that dated back to the 1940s with the rural electrification programme and most importantly an economy that was highly energy dependent (Bekker, *et al.*, 2008, p.3126). Subsequently the two key issues on the agenda for energy reform during transition were lack of access for the black majority and financial challenges faced by local authorities in the distribution of electricity⁹² (Eberhard, 2005).

⁹⁰ Segregation at municipal level did not begin with the apartheid government, thus society was already geographically divided along racial lines by 1948 (Koma, 2012). The key legislation that cemented segregation was the Group Areas Act of 1966 as it institutionalised separate and racialized residential areas with its concomitant forceful removals of black people (Koma, *ibid.*). One of the key objectives of geographical racial division and regulation of human movement was assisting white local authorities in evading the liability of servicing and subsidizing the black majority (Koma, 2012).

⁹¹ Eskom initiated the 'Electricity for All' programme in 1987 (Greenberg, 2009).

⁹² Black local authorities suffered from lack of management and technical capacity, scarcity of revenue and paying customers, and backlogs in electrification in general (Eberhard, 2005).

The transition period signalled accelerated policy change as Eskom embraced new political developments by attending to issues of access backlogs in the previously neglected black areas. Access to electricity also hinged on and was inextricably linked to infrastructural and institutional arrangements responsible for energy policy governance. Consequently, the sphere of local government was pertinent to the functions of electricity supply and distribution. Local government also underwent major reforms during transition as black areas had suffered neglect during apartheid as they were managed by troubled local authorities that lacked capacity, limited authority and political legitimacy (Bahl and Smoke, 2003). Efforts were made to create an acceptable new local government system beginning with the establishment of the Local Government Negotiating Forum (LGNF) in 1990 (Bahl and Smoke, *ibid.*).

In its 1992 document, 'Ready to Govern', the ANC outlined measures to provide strong regional governance structures to support a new and reformed local government sphere⁹³ (ANC, 1992). These ideals were reiterated in the RDP document in 1993 whereby the ANC further articulated its vision of establishing 300 new democratic municipalities after whittling down 800 interim local structures and permanently terminating apartheid era local authorities (ANC, 1993, p.13). As a step towards realising this ideal of new democratic municipalities, initially interim local structures would be formed as part of a three phase changeover operation and this was set in train by the passing of the Local Government Transition Act of 1993 (Bahl and Smoke, 2003).

One senior ANC politician (October, 2014) accentuates that the important point which many people have missed is not focusing on the Ready to Govern (1992) document which is by far the most important framework document. Ready to Govern was adopted in 1992 at NASREC, the very first policy conference of the ANC after the unbanning (October, 2014). This document outlines the policy objectives for the establishment of a democratic South Africa.

⁹³ The new local authorities would be tasked with the provision of services, coordination and integration of development planning and supply of different resources especially in rural settings (ANC, 1992).

The ANC aimed to tackle environmental issues such as pollution, revitalise the economy and improve the standard of living for the underprivileged hence in 1992 a comprehensive National Electrification Programme (NEP) was launched (ANC, 1992). National economic objectives and environmental protection would be attained via the restructuring of key state energy agencies such as Sasol, Mossgas, the Atomic Energy Corporation (AEC) as well as Eskom (Ready to Govern, 1992, p.17). Meeting essential services such as housing, water, electricity and sanitation was viewed as a human right and thus requisite legislation would be formulated for their implementation (Ready to Govern, 1992, p.22). The RDP document concurred with these ideals as a holistic policy framework for their implementation. In a specific reference to energy and electricity provision, there was a set target for the year 2000 whereby electrified health centres and residences would reach 2.5 million (ANC, 1993).

5.5 Electricity Provision after 1994: Towards Free Basic Electricity

After the first democratic election of April 1994, the National Electrification Programme (NEP), a policy intervention aimed redressing discrepancies for the marginalised, received fast-tracked implementation as the electrification of black areas proved urgent for the new ANC government (Gaunt, 2003; Greenberg, 2009). The goal was to accomplish universal access to electricity for the marginalised communities by 2012⁹⁴ (Gaunt, 2003).

Policies of the new dispensation were specific and targeted at correcting the injustices committed by the colonial and apartheid regimes. From an electricity perspective this meant providing the requisite policy framework, spatial infrastructure, and reorganising local government. Providing low-cost electricity to the marginalised communities and accomplishing universal access to energy were the main policy goals of the Department of Minerals and Energy's (DME) (Madubansi and Shackleton, 2006; Buscher, 2009; Ruiters, 2011).

⁹⁴ Broader socio-economic objectives such as vitalising the economy and facilitating access to education would be achieved through the NEP as a safe electrification policy measure for households (Gaunt, 2005). Successive policy interventions such as the RDP and the Growth, Employment and Redistribution (GEAR) strategy reiterated these ideals (Louw, *et al.*, 2008).

The transition period from 1993 to 1994 aimed at either reforming or disassembling the apartheid policy infrastructure (Bekker *et al.* (2008). Policy and institutional reforms were introduced at local, provincial and national levels, and this culminated in the adoption of a new constitution in 1996. Bekker *et al.*, (2008) asserted that this chapter signified a second institutional and policy building stage. Universal access became one of the key policy deliverables that energy policies focused on after 2000 (Davidson, 2006). The first population census in the democratic era held in 1996 revealed that only one-in-four non-urban black homes was connected to the grid, compared to 97% of white rural homes, while on aggregate only 58% of the entire population had access to electricity (Stats SA, 2000, p. 90, cited in Bekker *et al.*, 2008).

In a continuing pattern as informed by documents such as 'Ready to Govern' (1992) and the RDP (1993), the final Constitution of 1996 enshrined rights to accessing basic services. The Constitution became the first document that legislated rights to basic services whilst also stipulating duties for a developmental local government sphere. Even though the Constitution of the Republic of South Africa (Act No. 108 of 1996) does not specifically pronounce itself on access to electricity, section 26 of the Act stipulates does refer to accessing suitable housing as a right (RSA, 1996a). Moreover, section 27 (b) of the Constitution refers to every citizen's right to access adequate water and food (RSA, 1996a).

Section 153 of the constitution refers to developmental obligations of local authorities (RSA, 1996a, p.1331-3) where under sub-sections (a) and (b) it points at responsibilities of municipalities in attending to essential economic and social needs of citizens as well as planning, budgeting, and overall administration towards realising those ideals.

The language of meeting basic needs, as employed by the constitution, obviously resonates with or better yet, originates from ANC policy literature. The White Paper on the Energy Policy of the Republic of South Africa' was published in December 1998 (RSA, 1998). The main objectives of the policy document were, inter alia, providing access and inexpensive energy services to communities, small enterprises, underprivileged homes, and small farms (RSA, 1998, p.8).

The Energy White Paper arguably served as the base document for all subsequent energy policies⁹⁵. Following a consultative process, which included workshops and hearings, the final paper was issued at the end of 1998 following consultations lead by the Parliamentary Portfolio Committee on Minerals and Energy (Davidson, 2006, p.7)⁹⁶. On another front the Department of Provincial and Local Government (DPLG) released a White Paper on Local Government⁹⁷, this policy document is notable for introducing and popularising the concept of ‘developmental local government’ (RSA, 1998a). Concurrently, on 11 December 1998 the State President assented to the Local Government: Municipal Structures Act (Act No. 117 of 1998) (RSA, 1998b, p.1).

The Act had the broad aim of facilitating the formation of local authorities, and this included the requisite fundamentals such as municipal types and categories, powers and functions, electoral processes, management of internal processes, conduct of office-bearers, and other related matters (RSA, 1998, p.1). Since municipalities vary in size in terms of land mass, number of households, and population; this has an impact on the organising of resource allocations from provincial and national governments.

In its annual January 08 statement of 1999, the year of the second democratic general election, the ANC committed to persuasively deliver RDP objectives towards the eradication of poverty (ANC, 1999). The push forward would entail the improvement and fast-tracking of various interventions such as health services, housing, electricity, water and sanitation, land and infrastructure, as well as anti-poverty programmes (ANC, 1999).

⁹⁵ The non-governmental organisation Energy and Development Research Centre (EDRC) managed the policy formulation process that resulted in the White Paper on Energy (Davidson, 2006).

⁹⁶ The process involved consultations and eventually holding a National Energy Summit which spelt out the objectives of the energy policy under the new dispensation (Davidson, 2006).

⁹⁷ In the Green Paper that preceded the White Paper on Local Government the DPLG outlined the inconsistencies in the financial affairs of both urban and rural municipalities (RSA, 1997). Moreover, the department highlighted the varying municipal capacities to deliver quality and efficient services due financial constraints as some local authorities had neither prospects for revenue collection nor services to offer (RSA, 1997).

As South Africa was gearing itself up for the inaugural municipal elections in the democratic dispensation scheduled for 05 December 2000, institutional arrangements in terms of policy development were being sequenced systematically to ensure seamless implementation of policy at local government level⁹⁸. The Municipal Systems Act (Act No. 32 of 2000) was passed and published in the Government Gazette on 20 November 2000 (RSA, 2000, p.1). The Act articulates municipal powers and functions and further enables local authorities to define their legal status in relation to communities within them and how this partnership should unfold in terms of political and administrative structures as well as on the facilitation of universal access to affordable and quality services (RSA, 2000, p.1).

As all political parties were campaigning for the introductory municipal elections scheduled for 05 December 2000, the governing ANC, like other parties, launched its municipal election manifesto. The manifesto stated, inter alia, that the ANC together with communities could enable and transform municipalities to eradicate poverty, entrench non-racialism, offer Free Basic Services, and create a better society⁹⁹ (ANC, 2000).

At this interval the whole conception of free basic services, especially with regards to the free quantum of water and electricity, did not form part of government policy in any official sense and only existed as part of ANC policy. A Senior Manager at the electricity utility Eskom and member of the FBE Task Team (August, 2014) indicates that around year 2000 towards the first local government elections the Minister of Minerals and Energy announced that government would give the nation free basic electricity without having consulted with them at Eskom. According to this primary source, the onus was on them as Eskom to inform the minister that this was not feasible.

⁹⁸ As an example, on 02 March 1999 the Public Finance Management Amendment Act (PFMA) (Act No. 29 of 1999) was assented to by the President (RSA, 1999). The Act came into effect from 01 April 1999 the beginning of a new financial year for government (RSA, *ibid.*). The Act outlines responsibilities for all public officials entrusted with financial management in public entities and further provides for the regulation of all finances at national level in order to guarantee effective and efficient usage assets, revenue, expenditure and liabilities (RSA, 1999). According to the PFMA the latter provisions are applicable to all spheres of government including parastatals and municipalities.

⁹⁹ The ANC stressed that it would uplift indigent communities by providing free water, electricity and sanitation (ANC, 2000). There was however a condition that any consumption exceeding the stipulated amount for free basic services (FBS) would be borne by the consumer (ANC, 2000).

Eskom had then to investigate the physical situation in terms of their systems and infrastructure to determine if they were geared up to align with the minister's pronouncements. The discovery was that there were no systems in place that could facilitate the implementation of free basic electricity and thus they had to start from scratch and develop measures and then a task team had to be established (FBE Task Team Member, August, 2014).

A member of the FBE Task Team (July, 2014) reports that FBE started as a component of free basic services and it was driven by national government through its erstwhile Department of Provincial and Local Government (DPLG), the custodian of the Municipal Systems Act. FBE was thus imposed on the local government sphere around this period of the early 2000s (FBE Task Team Member, July, 2014). From the Department of Minerals and Energy side, for most of the 1990s the only guiding policy document at the time was the Energy White Paper on Energy of 1998 at the time (FBE Task Team Member, July, 2014). FBE came as part of free basic services, within basic services there was electricity, sanitation and water (FBE Task Team Member, July 2014).

The Minister of Minerals and Energy reported that a Cabinet Memorandum had been submitted to Cabinet on 16 January 2001 seeking approval of the basic policy framework structure that proposed, inter alia, that firstly, indigent households that are grid connected would benefit from an Electricity Distribution Industry cross subsidy through the allocation of a monthly quantum of free 50kWh (Hansard, 28 March 2001). There would further be a concomitant blocked stepped tariff for any excess electricity usage over the stated 50kWh in order to alleviate costs (Hansard, 28 March 2001). Secondly, as an energy part of the Equitable Share, non-grid electrified homes would be supplied with free non-grid electricity services (Hansard, 28 March 2001). Indeed the Hansard (05 March 2003, p.130) confirms that in 2001 Cabinet approved free basic amenities as "Free Basic Water" and "Free Basic Electricity". In view of addressing the historical backlogs in national basic services provision, the Free Basic Services policy would be rolled-out gradually (Hansard, 05 March 2003).

The roll-out of free basic services was however contingent on the availability of essential infrastructure at municipal level hence it was imperative that these local structures have the capacity and are adequately resourced in terms of finances and personnel (Hansard, 02 April 2003). Consequently, in her efforts to establish policy infrastructure and have free basic services implemented Ms Phumzile Mlambo-Ngcuka, the Minister of Minerals and Energy, pronounced in her budget speech of May 2001 that a multi-stakeholder structure would be created to expedite this ideal (Ballantyne, 2012, p.1). The terms of reference for the task team included investigating the modalities and technology required for implementing free basic services to the needy public¹⁰⁰ (Ballantyne, 2012, p.1).

The Project Manager (July, 2014) of the FBE Task Team reveals that the DME was given a mandate to draft an FBE policy by the Minister who in turn had been instructed by the ANC to facilitate policy formulation on free basic electricity. The mandate was apparently generic as it incorporated electricity, water and sanitation, which were to run concurrently through the designated line departments (July, 2014). The DME set aside an allocation for the FBE research project which was also partially funded by Eskom (July, 2014). The Minister of Minerals and Energy (Hansard, 28 March 2001) submitted to parliament that following the Cabinet approval of the provision of free basic electricity the Department of Minerals and Energy established a multi-stakeholder task team, then a workshop was held to direct the implementation process of both the pilot phase (2001/2002) and the phased roll-out programmes from 2002/2003 onwards. At this stage the National Treasury had increased the Equitable Share to local government to cater for free basic services (Hansard, 28 March 2001). This occasion, year 2000 going forward, marked phase three which was 'normal' policy operation that succeeded the democratic dispensation takeover in 1994 and the transition period in 1990 respectively, consequently the policy and institutional arrangements¹⁰¹ largely started working normally and excellently,

¹⁰⁰ According Neil Ballantyne, a member of the Task Team, the first meeting was held on 9 February 2001, with representatives from the erstwhile National Electricity Regulator of South Africa (NERSA), Eskom, the South African Local Government Association (SALGA), National Treasury (NT), the Department of Provincial and Local Government (DLPG), the Department of Water Affairs and Forestry (DWAF), and representatives from certain municipalities (Ballantyne, 2012, p.1).

¹⁰¹ A number of institutional arrangements have been made since 2000. In August 2001 the Eskom Conversion Act (Act No.13 of 2001) was passed and this legislation incorporated the share capital of the utility according

this was customary policy formulation and governance implementation (Bekker *et al.*, 2008). In the Government Gazette of 04 July 2001, the Free Basic Electricity (FBE) services policy was proclaimed by the Minister of Minerals and Energy for execution by local authorities (DME, 2003). With the poor communities as target recipients, government aimed at gradually phasing in free basic services and last universalising their access (Hansard, 02 April 2003).

The Hansard reports that in November 2002 Cabinet approved the policy on free basic electricity (02 April 2003, p. 944). The FBE or Electricity Basic Services Support Tariff (EBSST) was first officially implemented from 01 July 2003 (DME, 2003; Hansard, 05 March 2003; Hansard, 02 April 2003). The DME defined FBE as a no cost and restricted quantity of electricity, regarded sufficient for ordinary indigent household use, and to be decided at regular intervals (DME, 2003; Gaunt, 2005). The first eligible grid-connected homes received 50kWh free basic electricity in 2003 (DME, 2003).

Again the provision of FBE aimed at availing affordable services to the needy in order to improve their standard of living based on known socio-economic rewards ¹⁰²(DME, 2001). One FBE Task Team member (July, 2014) illuminates that the Department of Minerals and Energy (DME) was not funding the implementation of the FBE policy but access to electricity through the electrification programme.

to the Companies Act and transformed it to a public company (RSA, 2001a). Government is the sole shareholder at Eskom as stipulated in section 19(I) (a) of the Companies Act (RSA, 2001a). The National Energy Regulator Act, (Act No. 40 of 2004) was published in the Government Gazette on 06 April 2005 after being assented to by the President on 30 March 2005 (RSA, 2005). The Act founded a single regulator for all types of energy in the country (RSA, 2005). The entity known as the National Energy Regulator of South Africa (NERSA) was established in terms of Section 3 of the Act. To regulate all types of energy, the mandate of the NERSA is executed in terms of the Electricity Regulation Act, 2006 (Act No. 4 of 2006), Gas Act, 2001 (Act No. 48 of 2001) and Petroleum Pipelines Act, 2003 (Act No. 60 of 2003) (RSA, 2005).

¹⁰² As of 2014 the DME was still receiving funding for electrification from National Treasury whereas with regards to free basic services money still comes from the Department of Cooperative Governance and Traditional Affairs (COGTA, the erstwhile Department of Provincial and Local government) (FBE Task Team member, July 2014). The funding from COGTA is a apparently a conditional grant to municipalities where one of the key drivers was identification of poverty, so municipalities had to develop what indigent registers to register all the poor people in their midst and by extension do budgeting in line with what they have identified on the ground (Task Team member, July, 2014). On 13 February 2004 the Municipal Finance Management Act (Act No. 56 of 2003) was published in the Government Gazette having been assented to by the President of the Republic on 09 February, the same month (RSA, 2004a). The object of the Act is to set norms and standards in order to ensure rigorous financial management within local authorities (RSA, 2004a, *ibid.*).

Women and female children tend to be at the centre of the upkeep of homes as they are largely responsible for the acquisition of energy sources such as firewood used for cooking and heating, the FBE intervention would accordingly partly contribute to the socio-economic well-being of the vulnerable members of society (DME, 2001). The introduction of FBE and the resultant reduction in the usage of fossil based fuels would increase the safety of households especially those of the indigent (DME, 2001). The Project Manager of the FBE Task Team (July, 2014) argued that South Africa is the only country in the world that provides FBE in particular and free basic services in general. For the Task Team it was a struggle to conduct the research as they could not benchmark with any other country in the world, there were limited references, and the only source documents they had at their disposal were on generic poverty research (July, 2014). For the Task Team (July, 2014), the main documents for reference were the White Paper on Energy in South Africa (1998) and the RDP.

Nevertheless, criticism and challenges for the FBE abound. Inconsistencies in the allocated quantum of FBE have been recorded amongst different local authorities and both Eskom and municipalities have been blamed (Adam, 2010). Whereas many areas receive the agreed 50kWh areas such as Ekurhuleni Metropolitan Municipality offer 100kWh of free electricity to households (Adam, 2010, p.17). The guidelines to the implementation of FBE as published by the DME stipulate that 50kWh is a basic amount that could be provided but where additional resources are available municipalities have the latitude to afford indigent residents an extra and a bigger allocation of FBE (DME, 2003). It is now well established that poor households still use energy sources such as wood, coal and paraffin in addition to the 50kWh that they largely reserve for lighting (Adam, op cit., p.17)¹⁰³.

Following the introduction of the FBE policy in 2003, it was realised that the intervention lacked the capacity to reach all of the targeted poor households as a substantial number of them fell in off-grid areas that had not been covered by the electrification programme.

¹⁰³ Adam (2010, p.17) expands stating that FBE was introduced mainly to improve the safety and health conditions of the poor. It is also agreed that the 50kWh quantum is not sufficient for the entire household energy needs hence the use of additional energy sources is common (Adam, *ibid.*).

The department of Minerals and Energy expressed its willingness to attend to the challenge. Accordingly the Free Basic Alternative Energy (FBAE) intervention was specifically designed for the benefit of poor homes located in un-electrified communities (DME, 2005).

In 2005 the DME announced the introduction of the Free Basic Alternative Energy (FBAE) policy (DME, 2005). In communities without any electricity, it was decided that poor households would be offered alternative energy sources¹⁰⁴. Local government is consequently expected to attend to the management of funds and determination of available energy sources¹⁰⁵ as the sphere of government providing services to communities (DME, 2005). The three policy interventions of Free Basic Alternative Energy, Integrated National Electrification Programme, and Free Basic Electricity converge as a package from DME to improve the lives of indigent communities (DME, 2005). The sequencing of the policy interventions has been informed by new information and new challenges as they arise. This confirms the reiterative nature of policy making as largely based on incrementalism.

5.6 Conclusion

Through the concept of conjunctural state autonomy, this chapter demonstrates the latitude and constrains the state bureaucracy possess to effect incremental change at micro policy level. The narratives on the formulation of the FBE policy reflect the justification of policy choices and institutional reforms by elite informants within the bureaucracy and the governing party the ANC. The historical context of transition, the introduction of the post-apartheid dispensation as well as the continuity of the dominant neoliberal framework of ideas, demonstrate the extent to which state bureaucrats can exercise of relative state autonomy.

¹⁰⁴ The advent of the FBAE policy is quite a curious development. The ladder of fuel preferences, as informed by the energy transition theory, dictates that there is a hierarchy of preferences from low-quality fuels such as bio-mass to advanced modern types such as electricity, gas, and kerosene (Davis, 1998, p.1). Accordingly adherence to this hierarchy functions as an indicator of income status and economic growth amongst countries (Davis (1998, *ibid.*)).

¹⁰⁵ The DME listed alternative energy sources as, paraffin, liquefied petroleum gas (LPG), coal and bio-ethanol gel (DME, 2005). Local authorities had to be judicious in dispensing the alternative energy sources in order to improve lives and ensure maximum effect of the FBAE intervention amongst non-grid poor communities (DME, 2005).

The historical institutionalist concept of path-dependence is useful in analysing how the structure of the South African energy industry dating from the history of mining and the establishment of Eskom in 1923 and its subsequent positioning as the energy provision monopoly engendered the contours of later policy decisions such as the FBE policy. The dominance of Eskom as wholly state owned entity gave bureaucrats the latitude to champion the electrification programme and FBE policy without interference of non-state interest groups. Despite the multiplicity of civil society movements within the energy field their voices are obviously lacking from the narratives of state bureaucrats.

FBE has herein been presented as one of several incremental policy changes within the energy field. This chapter is indeed an illustration of conjunctural state autonomy at work. The story of incremental policy change appears to be a process that never sees a point of conclusion but rather reiterative efforts of tinkering with the systemic challenges that continuously provide stressors to the system. This continuous application of gradual adjustments points to incremental change and the achievement of long term stability (Wilson, 2000).

The period that follows the adoption of the FBE policy in 2003 has been characterised by varying efforts of ameliorating conditions of poverty that continue to plague many of South Africa's poor majority. The 50kWh FBE allocation has proven to be inadequate for most poor households across municipalities. At national level the Department of Energy has responded by introducing the Free Basic Alternative Energy (FBAE) Policy in 2005 which entails providing various subsidies for alternative sources of energy which include liquefied petroleum gas (LPG), paraffin as well as solar water geysers.

It is notable that depending on the financial muscle of individual municipalities, local authorities have also introduced their own interventions aimed at either augmenting the allocation prescribed by national government. For example the Tshwane Municipality introduced novel measures that deviate from the national policy by surpassing the baseline of 50kWh with an additional 50kWh making it 100kWh.

The City of Johannesburg came up with the Expanded Social Package (ESP), moving away from utilising household criteria to a per capita approach that targets individuals within households. Moreover, numerous other local municipalities not covered in this chapter still provide the baseline 50kWh as prescribed by national policy, for example the Steve Tshwete Local Municipality (Category B municipality), located in Mpumalanga Province, still allocates the 50kWh amount as recent as July 2015, a standard set more than a decade ago (STLM, 2015). On the other hand the relatively affluent eThekweni Metropolitan Municipality (Category A municipality) states in its FBE policy (2013/14 financial year) that it has increased the FBE allocation from 50kWh to 65kWh which is arguably a paltry sum compared to the offerings of other Category A municipalities such as Tshwane and Ekurhuleni which reviewed their respective policies and subsequently offered 100kWh (EM, 2014; Ekurhuleni, 2014).

The inconsistencies seem quite prevalent in the approach to FBE policy at municipal level not only from a point of view of allocation amounts but also on the criteria and definitions of the indigent. As one Executive Manager (July, 2014) argued, it is problematic that poverty in Africa can be defined by somebody's ability to buy a burger, this is one of the areas in which National Treasury and Statistics South Africa have to be decisive in coming up with standardised national definitions.

It is abundantly clear that the factors of limited knowledge and uncertainty always feature in the decision making process hence the preference for incremental adjustments to current policies (Wilson, 2000). Looking at the different permutations of FBE implementation at municipal level one may apply the terms 'speculative augmentation' and 'policy escalation' as this reflects disparate approaches decision-making as informed by restricted availability of knowledge (Wilson, 2000, p.249). Against the backdrop of the colonial and apartheid periods that set the scene for South Africa's energy policy, this chapter has outlined policy goals, policy instruments as well as institutional arrangements that have gradually facilitated the implementation of the FBE policy in 2003.

The broad policy goals of the ANC termed 'meeting basic needs' as articulated through its key documents such as Ready to Govern (1992) and The Reconstruction and Development Programme (1993) were certainly effected via policy instruments such as the Constitution of the Republic of South Africa (Act No. 108 of 1996), the White Paper on Energy Policy (1998) and eventually the Free Basic Electricity (FBE) Policy in 2003.

It may be argued that policy goals of the ANC government have not been altered over the period of twenty years. Consequently, there has been no paradigmatic shift that could constitute third order change according to Hall (1993). The institutional arrangements at municipal level have also been presented through various legislation such as; inter alia, the Municipal Structures Act (Act No. 117 of 1998) and Municipal Systems Acts (Act No. 32 of 2000).

The introduction of legislation such as the Constitution of South Africa (1996) which expresses the rights to basic services as well as the White Paper on Energy Policy (1998) could both be regarded as comprising an incremental type of change of the second order (introduction of new policy instruments) (Hall, 1993). The introduction of the White Paper on Energy Policy is a reflection of policy instruments being altered whilst the overall goals remain the same, i.e. meeting basic needs.

First order change, which occurs when the overall policy objectives continue unchanged whilst the settings of a policy instrument are slightly adjusted, emerges in 2003 with the adoption of the FBE policy following the massive roll out of the electrification programme after 1994 (Hall, 1993; DME, 2003). The issues of deprivation, joblessness, and inequality have been well documented in a number of ANC and government documents such as the RDP (1993), the National Development Plan (Presidency, 2012) as well as the Twenty Year Review (Presidency, 2014). As already indicated in this chapter, the notion of meeting basic needs through the electrification programme as undertaken before and after 1994 was premised on the expectation that redress in terms of access to energy infrastructure would have exponential results across the socio-economic well-being of citizens. Refractory poverty appeared to be the main hurdle to the realisation of the policy goals of the ANC.

As one member of the FBE Task Team (August, 2014) argued, the introduction of free basic services through the ANC local elections manifesto in 2000 was, amongst other reasons, a political reaction to the disappointment with the electrification programme.

The acceleration of the electrification programme after 1994 had indeed raised expectations, it was thought that access to electricity would be the main stimulus to socio-economic well-being, educational benefits where lighting would lead to better study opportunities for most impoverished learners, and on the hand economic activity would be spurred (Senior Manager, August, 2014).

There was disappointment on both fronts, people could not afford to pay for electricity and secondly there was no thriving local economy in black communities, no entrepreneurship ventures occurred as a result of electrification (Senior Manager, August, 2014). The introduction of FBE in 2003 equally did not improve the conditions for township entrepreneurs as trades such as welding demand much more electricity than what FBE policy's 50kWh could provide.

Incremental change in the case of FBE does not seem able to reconcile the objectives of the policy as a social intervention with Eskom's economic motivations behind the electrification programme. In the RDP document the ANC had hoped that the electrification programme would be able to pay for itself but the reality of poverty was to become a major hindrance. One senior bureaucrat (September, 2014) reveals that with the electrification programme, Eskom had its own ulterior motives amongst its white leadership in the early 1990s and that was buying autonomy from a black government. In order to remain in control of the utility, Eskom senior management had to accelerate electrification to appease the black government after 1994 and prevent it from interfering in the daily operations of the organisation (September, 2014). Against the backdrop of an untransformed economy and high levels of poverty, the FBE policy and subsequent policy changes have thus far not been able to achieve and balance the economic and social ideals of South Africa's energy policy in relation to the broader macro-economic policy intentions.

As Gaunt (2005) and others have argued, electrification in South Africa started for economic reasons, from mining to railways as well as municipal distribution of electricity.

As Gaunt (2005) points out, economics spurred energy generation, and for close to a century the state saw it fit and important to control and own electricity generation.

As one senior politician (August, 2014) argued, the question is whether there is policy coherence through all these types of incremental policy change. It remains debatable if what has been witnessed constitutes a policy evolution; it appears to be more of adaption than anything (Politician, August 2014). Another question worth posing is how much of the documented policy change is informed by research or knowledge, there is evidence that a number of studies have been undertaken at both national and municipal levels to effect the policy change but it remains unclear how the knowledge is interpreted and applied to inform change. This concludes this chapter.

Chapter 6 Equity in Access to Education: The Case of the No Fee Schools (NFS) Policy in South Africa.

6.1 Introduction

This chapter provides a comprehensive account on the formulation of the No Fee Schools (NFS) policy in South Africa after 1994. The chapter outlines major instrumental changes that constitute the genesis of the policy from the broad goals and ideas on access to education up to their culmination in the form of the NFS policy in 2006. Similar to the preceding two chapters, the main objective of this third case study is to conduct an empirical analysis of the formulation of the NFS policy in South Africa after 1994 by exploring narratives of elite informants involved in the process. This part of the thesis once again outlines justifications for policy choices undertaken as expressed by senior bureaucrats and politicians. Through the narrative justifications of elite informants, the historical context and the dominant framework of ideas, this case study details the exercise of relative state autonomy by senior politicians and bureaucrats in the post-apartheid state. The configuration of ‘conjunctural state autonomy’ which is the major organising concept of this thesis provides the setting for the conditions under which policy change occurred through this micro-policy of NFS.

This chapter provides its analytical contribution through the usage of the binary of macro/micro policies whereby the heuristic proves useful as it explores the relationship between macro-economic policy and the micro-policy NFS. This binary accentuates the distinctiveness of each policy field as it contrasts the NFS policy with the macro-economic policy framework which is at the centre of the policy infrastructure. Additionally, this macro/micro heuristic illustrates that at micro policy level, a policy such as the NFS is particularly characterised by first and second order forms of incremental change. These micro policies prove to be distinct from the macro-economic policy framework where not only incremental change occurs but also third order change or a paradigmatic shift. The incremental policy change that occurs at micro level is largely path-dependent and constrained by historical policy choices.

A detailed chronological timeline which provides the historical background and the series of events largely emanates from elite interview accounts and is supported by secondary data that is sequentially presented. Secondary literature and primary data are integrated to form a structured argument.

Firstly, this chapter outlines the process of policy formulation by tracing the origins of the NFS policy drawing from elite interviews that comprise first-hand accounts of either chief architects of the policy or those who were close to the process. These narrative justifications have been extracted from officials and politicians at national as well as provincial government level, i.e. Department of Basic Education, Department of Higher Education, Gauteng Provincial Department of Education, The Presidency, National Treasury, and the South African Reserve Bank. Additional accounts have been proffered by researchers from NGOs, Universities, Unions and other activists within the education sector.

Secondly, this chapter outlines the types of incremental change that have occurred towards the existence of the policy and its consequent promulgation. In attempting to summarise what, how and why the policy change occurred, again this chapter relies on new and primary data gleaned from key informants and supportive secondary data which include archival material and Hansard reports to relate the events and conditions that precipitated policy change.

Thirdly, this chapter is based on and guided by the research design, i.e. Chapter 3, which articulates the major and subsidiary questions of the research study, which inter alia, ask *“How is Public Policy Formulated in the Post-Apartheid South African State?”*

As a summation, this chapter seeks to trace, inter alia, three major forms of change, namely; the nexus of policy goals, policy instruments and institutional arrangements that facilitated the emergence of and culminated in the adoption of the No Fee Schools policy in 2007. It demonstrates how a broad policy goal, namely, the right to universal, free and equal education, came into being and was retained with certain adjustments through several policy instruments over time and under changing conditions before the ANC came into power in 1994.

The broad policy goal mutates and possibly re-emerges through new policy instruments such as, inter alia, the constitution during the democratic dispensation after 1994, and eventually assumes a new form under the No Fees Schools policy in 2006.

No Fee Schools and Related Public Policy Timeline	Year
35. The Bill of Rights (ANC, 1923)	• 1923
36. Africans' Claims (ANC, 1943)	• 1943
37. The Bantu Education Act (Act No. 47 of 1953)	• 1955
38. Freedom Charter (ANC, 1955)	• 1988
39. Constitutional Guidelines for a Democratic South Africa (ANC, 1988)	• 1989
40. Ready to Govern (ANC, 1992)	• 1992
41. Macro-Economic Research Group (ANC, 1993)	• 1993
42. Constitution of the Republic of South Africa (Act No. 200 of 1993)	• 1993
43. Reconstruction and Development Programme (ANC, 1994)	• 1994
44. Reconstruction and Development Programme Fund Act (Act No. 7 of 1994)	• 1994
45. White Paper on Reconstruction and Development (Notice No. 1954 of 1994)	• 1996
46. Constitution of the Republic of South Africa (Act No. 108 of 1996)	• 1996
47. Growth Employment and Redistribution Strategy (RSA, 1996)	• 1998
48. National Education Policy Act, 1996 (No. 27 of 1996)	• 2004
49. South African Schools Act (Act No. 84 of 1996)	• 2006
50. Admission Policy of Ordinary Public Schools (1998)	
51. Education Laws Amendment Bill (2004)	
52. The Regulations Relating to the Exemption of Parents from the Payment of School Fees (2006),	
53. Amended National Norms and Standards for School Funding (2006)	

Figure 3.

6.2 The No Fee School (NFS) Policy: Defining the Policy Instrument

On 23 August 2006 the Minister of Education, Dr Naledi Pandor issued a government notice (The amended National Norms and Standards for School Funding) in terms of section 39(7) of the South African Schools Act (SASA), 1996 (Act No. 84 of 1996), determining that 40% of public-schools nationally were to be identified as qualifying not to charge school fees (DOE, 2006a).

These schools would be 'no-fee schools' as contemplated in section 39(9) of the South African Schools Act, (DOE, *ibid.*). The implementation date of the norms would be 1 January 2007 (DOE, 2006b). According to an Education Specialist (September, 2014), the Norms and Standards are a regulation that serves to introduce amendments to the Schools Act (SASA) from time to time. The complex origins of the No Fee Schools could be understood as located within the conundrum of education funding in South Africa which predates the democratic era. The advent of democracy revealed considerable and race-based inequalities within the South African schooling system, besides the skewed final matriculation results, other indicators such as material and human resources also pointed to an inferior quality education for black pupils whilst their white counterparts received a far superior education (Jansen, 2003, p.2).

School funding in its complex forms straddles both periods of colonial and apartheid past and well into the democratic period. Drawing inspiration from the Freedom Charter (1955), the NFS policy as introduced in 2007 was accordingly rooted in South Africa's historical quest for equity and justice in education (Spren and Vally, 2010). After 1994, the newly elected ANC government inherited an exceedingly unequal education system that had been designed to repress the African majority. Issues with a direct bearing on communities and several interest groups such as resource distribution, monitoring and evaluation, and governance tested the new dispensation during transition (Fisher, 1998, p.122).

The NFS policy formed part of a new policy infrastructure aimed at redress, quality and performance improvement, empowerment of role players, transformation, and eradication of the vestiges of apartheid within the education system (Jansen, 2003, p. 86). Education was regarded as a critical sector for the transformation of society and this was evidenced by historical efforts calling for free, quality, and compulsory education as stated in the Freedom Charter and ultimately in the new constitution in 1996 which all presented education as a human rights issue (Ahmed and Sayed, 2009, p.203). The issues of poverty, inequality and unemployment were apparently identified as having a bearing on school funding and access to education.

The issue of school funding was articulated in a number of policy instruments such as; the South African Schools Act of 1996 (as amended), Admission Policy of Ordinary Public Schools (1998)¹⁰⁶, The Regulations Relating to the Exemption of Parents from the Payment of School Fees (2006), and the Amended National Norms and Standards for School Funding (2006) (Department of Basic Education, 2013)¹⁰⁷. Becoming operational on 01 January 2007, the amended National Norms and Standards for School Funding (2006) supplanted the 1998 document and the proposals for amendment gazetted in 2004 (Ahmed and Sayed, 2009, p.206). Issues such as school fee exemptions¹⁰⁸ and public resourcing for private (independent) schools, as well as funding of public schools by the state, are all addressed by this policy instrument (Ahmed and Sayed, *ibid.*).

The number of public schools not charging fees increased from 40% in 2007 to 60% in 2009 (Nordstrum, 2012, p.67). The main aim of the NFS policy is to substitute private funds with more state spending and thus improve access and endurance for deprived pupils within the schooling system (Nordstrum, *ibid.*). Meanwhile education researchers have asked as to why numerous finance-related problems persist in spite of the progressive interventions¹⁰⁹ such as the NFS policy.

¹⁰⁶ The regulation aimed to protect pupils from any unfair treatment due to non-payment of fees by their struggling parents and thus pupils could not be victimised or excluded from any schooling activities nor be forced into signing any contract towards the payment of fees (DOE, 1998).

¹⁰⁷ Primary and secondary schools, grade 1 to 12, benefit from the provisions of the NFS policy (Department of Education 2006, cited in Ahmed and Sayed, 2009, p.206).

¹⁰⁸ When parents of needy pupils apply for either full or partial exclusion from paying fees, the fee exemption policy, which is actually separate from the NFS, applies within the schooling system in order to guarantee that there is access in cases where parents cannot afford fees (Department of Education 1998, cited in Ahmed and Sayed, 2009). The fee exemption policy now only applies to fee-charging schools following the declaration of poorer schools as NFS (Ahmed and Sayed, *ibid.*).

¹⁰⁹ The General Household Survey (GHS) reported that school fees were responsible for the escalation in drop out and non-attendance amongst pupils with figures climbing from 24.9% in 2008 (179,308) to 27.9 (184,725) in 2009 for the entire non-attending population (Nordstrum, 2012, p. 67).

6.3 A Background on Education in South Africa: Setting the Scene for the No Fees School Policy

As a way of introduction, it bears mentioning that as a matter of course most accounts on the formulation of the No Fee Schools policy set the emergence of this policy instrument against the historical context of South Africa with a special mention of resourcing within the education system. It is widely established that South African education was historically marked by the entrenchment of huge and racialized discrepancies in terms of resourcing and state repression (Watson and Stead 2001, p.173). In 1948 the Afrikaner National Party government embedded already existing racial segregation within the schooling system ¹¹⁰ (Watson and Stead, *ibid.*). The Bantu Education Act (Act No. 47 of 1953) represents the crowning achievement of the apartheid regime. The Act is said to have left an indelible and enduring legacy in terms of providing cheap African labour and shaping the future of the country (Moore, 2015).

Van der Berg and Moses (2012, p.182) relate that by 1975 social spending per person on whites was estimated to have reached the high levels of eight and half times on what was spent on black people thus entrenching the inequities of segregation. Accordingly creating a unified education system after 1994 was an extraordinary test as the education sector was one field whereby apartheid policy managed to achieve its utmost goal of social polarisation (Schuster, 2011, p.1).

In one account a former Education MEC provides (September 2014) insight that the policy expression that evolved into the No Fee Schools policy actually emerges from South Africa's history of racial oppression and inequality. According to this politician (Former Education MEC, September 2014) probing where the No Fee Schools policy comes from leads to a past that transcends the 1980s where there was always a challenge of developing policy for a single education system.

¹¹⁰ The abysmal state of education for the African majority was lamented by van der Poel long before the National Party came into power in 1948 (1935, p.17) where he points out that colonial education policies on native education resulted in neglect and poor spending as the government of the day showed no interest in the education of Africans. Only missionaries had an interest in educating Africans as the white government was marred by racial prejudice and jealousies and never took the initiative to introduce compulsory primary education (van der Poel, *ibid.*).

The challenge largely related to funding of education where solutions were sought on maximising private contributions into the public system so that people who had the ability to contribute could be allowed to do so whilst the poor were not excluded (Former Education MEC, September 2014).

As it will be revealed throughout this chapter, the question of access to education intersects with other important factors within the entire schooling system as a whole, for example; education funding, teaching, quality of education, integration, inclusion and infrastructure which are all interwoven within the aforementioned historical context. The importance of the historical origins of the NFS is accentuated by a senior public servant (Deputy Director General Presidency, August 2014) who traces the policy to historical documents such as the constitution of 1996, which talks about access to water, electricity, and education. The ANC documents that are cited as of importance include the Bill of Rights (1923), the Africans' Claims document (1943) as well as the Freedom Charter of 1955 (Former President of the Republic, September, 2014).

The Bill of Rights (1923) of the ANC certainly proves to be a document of significance in many respects not least on pointing towards access to education. As informant accounts converge on the centrality of this document in elevating education as a right, the Bill of Rights arguably becomes one of the earliest policy articulations that take a stance on the form access to education would assume in a democratic society. Amongst the number of rights articulated in the document, the right to education becomes relevant to this thesis as a backdrop towards the No Fee Schools policy.

Under the rubric 'Right to Education', the Bill of Rights states that education would be compulsory and free education up to the completion of matric or the age of sixteen whilst further efforts would ensure access to equal secondary, vocational and tertiary education (ANC, 1993, p.7). Furthermore, education shall be utilised to bolster dignity, human development, civil liberties, tolerance, and understanding amongst nations (ANC, *ibid.*).

6.4 The Transition to Democracy and Access to Education: 1990 to 1994

The demise of apartheid in 1994 was precipitated by a series of incremental reforms that abrogated repressive policies and legislation. Additionally, the reforms did not cease with the declaration of a democratic dispensation after the first general election, the processes unfolded continuously and reiteratively as each policy hurdle was identified. The elimination of fundamental apartheid legislation took course following the freeing of political prisoners, including Nelson Mandela, and the unbanning of political formations in February 1990 (Manzo and McGowan, 1992; Smith, 1992).

At this juncture, the Bantu Education Act of 1953 had been repealed but its effects remained largely extant and intact within the education system (Zuern, 2011). The integration of private religious schools in 1976-1990; the end of apartheid schooling under Clase 1990-1993; and the 1994 post-apartheid dispensation, characterise the three chapters of the history of education in South Africa (Soudien, 2007, cited in McKinney and Soudien, 2010, p.11).

The issues of funding and access within the public education system were still far from being comprehensively addressed at this point as other larger systemic political issues took precedence and/or ran concurrently with education reforms. One politician (MEC for Education, August 2014) reasons that the emergence of the No Fee Schools policy after 1994 was spurred by two key factors; firstly, in its attempts to develop a policy for a single education system¹¹¹, the ANC was faced with a challenge of how to maximise private contributions into the public system so that people who had the ability to contribute were able to do so while those who did not have the means were not excluded. Secondly, and perhaps most importantly, in its last four years of existence, the apartheid state instituted fundamental reforms in the public education system (MEC for Education, August 2014).

In essence, the white Department of Education and Culture devised a policy mechanism that attempted to preserve what was seen or constructed as white standards and white privilege and this meant introducing in the House of Assembly measures of differentiating types of schools (MEC for Education, August 2014).

¹¹¹ South African education was a byzantine system that entailed; a variegated and ethnic based 'homeland' and 'self-governing territories' administrations; a Department of Education and Training for urban residing Africans; a House of Representatives for Coloured people, a House of Delegates for Indians; as well as the House of Assembly that controlled white education (Harber, 2001).

The desegregation of white schools was designed to ensure the maintenance and security of white privilege (Carrim and Soudien (1999).

At the point of transition in 1990 white public schools comprised about 7% of the aggregate national and subsequent to the unbanning of political organisations demands for desegregation mounted (Pampallis (2003, p.145). The desegregated education system was declared in the House of Assembly by the Minister of Education and Culture, Piet Clase, in October 1990 (Shezi, 1994; Carelse, 1999; Carrim and Soudien, 1999; Pampallis, 2003; Moyo *et al.*, 2010). This move signalled that white public schools were now authorised to admit black students in what came to be known as the ‘Clase Announcements’ (Shezi, 1994; Carrim and Soudien, 1999).

It is indeed confirmed that depending on the vote of the majority of parents, from 1991 white public schools could decide on whether to admit black students or not (Pampallis (2003). This development was to portend serious implications for post-apartheid policies on public school funding. Clase offered white schools three desegregation models from which to choose (Carrim and Soudien, 1999; Pampallis, 2003).

The three models that were available were as follows (Carrim and Soudien, 1999; Pampallis, 2003):

- Model A: the majority vote would convert these schools into private entities, and like any other independent schools they would be permitted to admit black students. Procedurally, the process would entail reopening as private schools after discontinuing as white public schools.
- Model B: would have an open admission policy, permitted to admit black students reaching the maximum of 50% (of the total number of enrolled pupils) whilst remaining a public school.
- Model C: This type would be allowed to access private funding whilst continuing to receive state funding as a public school. Admission of up to 50% of black pupils would be permitted (whilst the state would pay teacher salaries, the school could cover all other operational expenses and could acquire the semi-private and semi-state school status).

Groupings previously designated as African, Coloured, and Indian or collectively black as it became the case, would be admitted to the aforementioned school models (Carrim and Soudien, 1999). The Model D type, which could enrol unrestricted number of black students, was introduced in 1992 and these schools belonged to the Department of Education and Culture (Pampallis, 2003, p.145). The decline in enrolment of white students in some of the public schools prompted the introduction of the latter type (Pampallis, *ibid.*). In 1993 an announcement was issued that there would be reductions in school allocation and thus all former white schools, sans Model D, would have to decide by a vote of two thirds to either remain as they are or convert to Model B as thenceforth they were all to become Model C by law (Pampallis, *ibid.*). Whereas 98% of former white public schools opted to become Model B, 96% of them converted to Model C (Carrim and Soudien, 1999; Carelse, 1999; Pampallis, 2003).

One informant (Former Education MEC, Gauteng, August, 2014) concurs that for most white schools it became a general thing, they accepted the Model C framework¹¹² where school governing bodies (SGBs) not only had a lot of control at the local school level of the education of their kids but also owned the schools. One education activist (August 2014) reasoned that what these pre-democracy reforms did was essentially to facilitate the free transfer of state resources from the public education system to white communities particularly in the case of the Model A schools that opted to become private but also across Model C schools. Thus it was a transfer of ownership of the school from government to the community, operating under a school governing body (SGB), so state assets were given to those white communities (Former Education MEC, August 2014).

There was anticipated improved expenditure towards black education subsequent to the dismantling of the apartheid education policies (Smith, 1992). The education restructuring process which was hoped would salvage large revenues proved to be protracted and tedious for about a decade due to the amalgamation of fourteen administrations comprised of four provinces and ten homeland governments (Van der Berg, 1991, cited in Smith, 1992, p.354).

¹¹² Schools that were administered by the House of Representatives (Coloured) and the House of Delegates (Indian) under the tri-cameral system of parliament in 1984 all eventually ended up being covered by the designation 'Model C' as state multiracial schools (Hofmeyr 2000, p.7, cited in Moyo, *et al.*, 2010, p.24).

Within the entire education sector, reforms on infrastructure, policy objectives, institutional arrangements, and policy interventions had to run concurrently for an indefinite period. Excluding the self-governing homeland administrations, financial means for black schooling under apartheid were regulated at national level (Case and Deaton, 1999, p.1049). The Department of Education and Training (DET) separated white schools from the non-white ones¹¹³ and accordingly education resources for urban blacks in the four provinces of Natal, Transvaal, Orange Free State and Cape were controlled by the national department (Case and Deaton, *ibid.*).

In 1992, the ANC held a policy conference in Johannesburg and produced a document called 'Ready to Govern'. One senior politician (Former Reserve Bank Governor, September 2014) suggests that the important point which many people have missed is not focusing on the 'Ready to Govern' (RTG) document. RTG is allegedly by far the most important framework document that was adopted by the ANC. It was the first policy conference for the ANC after returning from exile. The RTG document geared up the ANC by providing a comprehensive framework that contained policy expressions that were to guide the new government in its multifaceted reforms that aimed at reengineering the South African state and society.

With regards to education, a number of pronouncements were made and clearly there was continuity from the previous documents such as the Freedom Charter and the Bill of Rights. The document indicated that a decade was sufficient to groom a citizen for social and economic participation and thus the provision of compulsory and free education, and later, training, was critical for an active society (ANC, RTG, 1992, p.31-32).

Around the same period, the ANC Education Department, amongst many of its sectoral departments, began engaging in collaborative research work with likeminded and sympathetic academic and non-governmental research organisations.

¹¹³ The Minister of National Education reserved the budgets of the self-governing territories of Qwa-qwa, Lebowa, Gazankulu, KwaNdebele, KwaZulu, and KaNgwane that were selected to be granted independence (Case and Deaton, 1999). There was higher control of the education budget within the independent TBVC states (Transkei, Bophuthatswana, Venda and Ciskei) (Case and Deaton, *ibid.*).

The document 'Ready to Govern' indeed adhered to the ANC's principles and philosophy on access to education but institutional reforms were necessary for the implementation of its vision not only within education policy but across sectors.

As one senior politician (September 2014) noted, on the issue of universal access, in the RTG document commitments had been made to provide basic needs to the people. Meeting basic needs encompassed the entire policy landscape from education to health and beyond. According to this informant (Former Reserve Bank Governor, September, 2014), the titles for ANC documents will change from time to time, making an emphasis on growth, employment and so forth but there are no ideological shifts from the pronouncements made in the RTG document. The pressing matter was however facilitating the institutional arrangements that were going to enable the execution of the policy expressions.

Another informant (Academic/Activist, August 2014), illustrates the complexity of the education system as inherited by the democratic state. One of the major challenges was the manner in which schools had been structured in the past ensuing from the various education departments. For example there was Bantu Education, Christian National Education, different homeland education, the so called coloured education as well as Indian education; it was definitely a byzantine system within the apartheid education system (Academic/Activist, August, 2014). The system was highly fragmented but nonetheless cohesive in terms of apartheid policy (August 2014). The fragmented education system, as indicated earlier had variegated approaches to funding and school fees making the issue inextricably linked to apartheid institutional arrangements. Another informant (Former Minister in the Presidency, September 2014) illuminates the complexity in school fees within the multifaceted education system. As the approach to school fees policy is revealed, early developments that led to the No Fee Schools policy come to the surface.

It is claimed (Politician, September 2014) that prior to 1994 it was practice throughout the multiple departments that government was responsible for the education of African children and for the community to contribute towards the schooling of their children. On the contrary, in urban areas school fees were compulsory, the school sector, the quantum of school fees and the receiving of those fees were pursued quite vigorously (Adviser to the Reserve Bank Governor, September, 2014).

As already indicated, there were a total of 14 education departments when combining the four provinces with the homeland administrations (Van der Berg, 1991, cited in Smith, 1992).

Another informant observed (Deputy Governor, Reserve Bank, September 2014), where school fees were levied, children often took the brunt. A lot of power would be vested in the principal of the school who could determine whether or not to raise fees, in other parts of the country, particularly the Bantustans; parents had additional responsibilities in raising resources for the functioning of the schools especially in many homelands (Adviser to the Reserve Bank Governor, September, 2014). In these areas parents had to contribute towards the accommodation of teachers, for example in places such as Bophuthatswana, the Eastern Cape and probably KZN, as impoverished as these communities were, they had to build the accommodation for teachers¹¹⁴. Therefore it was a rallying call throughout the period of the 1980s that schooling should be free and compulsory, for the activists free education was part of the platform of the democratic movement (September, 2014, *ibid.*).

For the ANC, the RDP document of 1994 became the next milestone emerging as a policy outline for the founding of a democratic polity. For South Africans the RDP was a blueprint that marked change towards a new dispensation akin to the Marshall Plan (Wessels, 1999). In a continuing fashion, the RDP was predicated on democratic and inclusive principles of its forebears as a policy framework. Amongst other policy expressions, the ANC (1993, p.7) asserted that it was critical to open up opportunities for education and training, sport and recreation, as well as arts and culture to young women and men. The Interim Constitution of 1993 (Act 200 of 1993) was another critical document that was released at this juncture (Mothata, 2000). Section 29 of this document referred to education and it also incorporated the Bill of Rights (Mothata, 2000).

¹¹⁴ This situation is illuminated by Yamauchi (2011) as he elaborates on the enduring impact of apartheid segregation and unequal resourcing of schooling on the quality of education and distribution of opportunity. Former whites' only schools have become racially diversified albeit along class lines with more affluent African, Coloured and Indian students Black students being enrolled whilst rural and township schools have retained only black students (Soudien, 2004, cited in Spaul, 2013). Schools that provide better quality education remain white and are located in white affluent urban areas and continue to charge exorbitant fees which make it an accessibility challenge for poor black students who also have to travel as they live in far flung areas (Soudien, 2004, cited in Spaul, 2013, p. 438).

In 1993 the ANC also supported the founding of the Centre for Education Policy Development (CEPD); the mandate of this organisation was to prepare for the development of a policy framework for education and training in a post-apartheid and democratic dispensation (Kgobe, 2013). The consultative work of the CEPD built upon the earlier work of the National Education Policy Initiative (NEPI). Altogether the process led to the production of the 'Policy Framework for Education and Training' colloquially known as 'The Yellow Book', a key document of the ANC on education (Kgobe, *ibid.*).

6.5 Access to Education after 1994: Towards the No Fees School Policy

South Africa had a successful first democratic election on 27 April 1994 steering in a new era; moreover, education was one of the sectors whereby new policies for the democratic dispensation were introduced (Napier, 2011). Napier (2011) has acknowledged that under the RDP (1994), the blueprint for the transitional years, the emphasis was on rapid installation of democratic laws and policies. Post-apartheid South Africa is amongst a limited number of countries in the world that have churned out a plethora of policies in the field of education within a short period of time (Jansen and Taylor, 2003). The first democratic administration of 1994 to 1999 produced most of these policies (Jansen and Taylor, *ibid.*).

Education reform was one of the most pressing challenges for the post-apartheid government. As already indicated, South African society was highly unequal based on race and this extended to living standards and the resourcing of education which further entrenched the fragmentation. Establishing a single education system and propagating uniformity were paramount for the ANC government.

The last apartheid administration under F.W. de Klerk introduced measures creating a unified education system for all by ending the polarised education sector through the establishment of the Education Co-ordination Service after 1990 (Schuster, 2011, p.4).

As already illustrated, the transition period was critical in determining and setting the scene for all subsequent policy reforms. These were efforts of creating a new combined and non-racial education system that would provide a quality education for all in a new country¹¹⁵.

In 1996, the Constitution of the Republic of South Africa (Act No. 108 of 1996), the superior law of the land that also contains the Bill of Rights (Section 29) was passed and accordingly the right to education was therein enshrined (RSA, 1996a). The constitution is the primary, fundamental, and preeminent law of the Republic after 1994 (Machaisa, 2014). In the same year, the Growth Employment and Redistribution (GEAR) strategy was introduced by government as the new macro-economic policy framework in June of 1996. The genealogy of GEAR is discussed in more detail in chapter 4.

Pursuant to the goals of GEAR, government, inter alia, aimed at achieving economic growth of 6 percent over the next five years (DoF, 1996b). In order to reach those targets the country needed to have fiscal stability, this would entail bringing down the deficit, and this would mean creating space on budget to spend on education, and other sectors such as social development, housing, and health (Former Director General, National Treasury, August 2014). For government to be able to create space for social spending first it had to prioritise reducing the deficit, reduce debt service costs and attend to the ambitions of the RDP (Former Director General, National Treasury, *ibid.*). One of President Mandela's vexations was confronting the fact that government was spending more on debt servicing than it was spending on education (Former Director General, National Treasury, September 2014).

Again in this attempt to trace and narrate change that brought about the NFS policy one discerns the complexity of the context within which the policy emerged especially after 1994.

¹¹⁵While there was a decline in the pattern of producing a multitude of education policies during the second term of the democratic dispensation, i.e. Professor Kader Asmal's term (1999 to 2004), the preponderance of the policies had been introduced during the first five years of democracy under the Ministry of Professor Sibusiso Bhengu (1994 to 1999) (Jansen and Taylor, 2003, p.8). The second term was notable for reviews and taking stock of policies that had been produced during the first five year (see Jansen, 2001, p.41-57; Department of Education and Department of Labour, 2002, p.131). These two terms respectively comprise the bulk of education policy making in post-apartheid South Africa and the first port of call for the assessment of education policy-making (Jansen and Taylor, 2003).

It was important for the new dispensation to build on the progressive changes made during the transition period. The need to grow a globalised domestic economy, factoring in discipline in economic management, as well as balancing issues of redress and social justice, were some of the competing demands faced by the post-apartheid government (Sayed, 1999). During this period numerous institutional reforms occurred. A Former Director General at the National Treasury (August 2014) reveals that there was 'a big job of work' to be done on equalising spending on education.

As the informant further argues, it is highlighted that there were actually no funds on budget and thus the education budget in 1995 and 1996 was unstructured and marred by distortion (Former Director General, *ibid.*). Again during the same period, the new government was already spending almost more on servicing debt than it was spending on education. In actual fact education was the largest item on the budget, the second largest item on the budget was debt service costs, and there were no reserves, to be precise there were negative reserves (Former Director General, National Treasury, September, 2014).

According to a Deputy Director General at the National Treasury (September 2014), it was only by 1998 that the democratic government had for the first time a budget and it was only then that full transition and full implementation were attained from the interim arrangements of the RDP and new spending programmes to a fully integrated new government budget. With regards to education in particular, it was apparently a very dramatic time, lots of things changing, enormous institutional change that had to be managed financially and from a budgeting point of view. This entailed merging the 14 education departments from the Bantustans and the homeland administrations and the provincial administrations into new consolidated provinces (Deputy Director General, National Treasury, *ibid.*).

It was about sorting out what government was doing at national level versus provinces versus municipalities, all those big changes were happening, and that was a big transition, it was about translating the political rhetoric of the RDP and its policy commitments into practical things (Deputy Director General, National Treasury, September 2014). The second term was noted for attempts to rectify challenges encountered during the first five years; there was more emphasis on implementation and delivery as well as additional policy

interventions (Napier, 2011). Policy implementation became divided between the national and provincial governments and this devolved allocation of power came as a result of the negotiated settlement during transition (Sayed and Soudien, 2005). The three levels of school (local), provincial and national accordingly came to comprise new South African schooling structure (Mda and Mothata, 2000). The new arrangement introduced nine provincial education departments (PEDs) and this meant having joint management responsibility with the national Department of Basic Education (Marishane, 2013). The national department formulates the norms and standards and PEDs are allocated their budget portion through the equitable share model and are also responsible for decision-making with regards to funding and school level policies (Marishane, 2013).

In 2004 private schools enrolled only 4% of pupils from Grades 1 to 9 whereas the rest attended state schools (Motala *et al.*, 2007, p.2). The school level administration is connected to the provincial and national departments and consequentially schooling is predicated on a devolved and semi-federalist system (Sayed and Soudien, 2005, p.117). Due to the negotiated settlement education policy happened to be one of those sites where continuities and contradictions from the past were carried over into the democratic dispensation.

Whilst the interest of this thesis is mapping out narratives of policy change, Jansen (2002) asserts that the overall objective of education policy making has been the acquisition of political symbolism following years of the fight for liberation. Kraak and Young (2001) have revealed that there are several areas within the education system that have remained unreformed and the first term of a democratic government only resulted in *symbolism of policy production*. In agreement, Jansen (2002) argued that the education system largely remained unchanged at local level and the ideals of policy making continued being unreachable¹¹⁶.

¹¹⁶ Accordingly, the political objectives of a post-apartheid education remain elusive and the pragmatic focus on implementation is pointless as it fails to take into account this broader picture (Jansen, 2002). In Jansen's (ibid.) view the new dispensation is unable to resolve challenges at the point of implementation on the ground and seems to attempt to settle policy problems only at the political level. This conjecture becomes critical as it questions the whole purpose of policy-making, its direction, and the quest for change and reform (Jansen, 2002, p. 200).

The ANC had long carried the mandate of education reform. From the Freedom Charter to what came to be known as 'People's Education', the evolution of ANC education policy continued and it was only during transition that serious implementation came to be debated in preparation for the takeover of government (Harber, 2001). The GNU released the first White Paper on Education¹¹⁷ in March 1995, within this policy document the ANC for the first time articulated its novel approach to education policy for actual governance purposes (Harber, *ibid.*). The ANC in government thus issued its very first education policy instrument through the White Paper on Education and Training of 1995 (White Paper 1) (Mothata, 2000).

The White Paper was formulated in line with the new constitution and thus espoused similar values and proffered a new outlook for the education system. Thus, the paper foregrounded justice, equity and redress in a more comprehensive approach to training and education, life-learning, access, whilst emphasizing outcomes (Mothata, 2000). In agreement, Harber (*ibid.*) confirms that the White Paper introduced a new thinking in education premised on democracy, equity and justice.

Next in line in the formulation of policy instruments was the White Paper on Organisation, Governance and Funding of Schools, also known as White Paper 2, published in November 1995 by the Department of Education (DOE, 1995). Engendering democratic governance at school level was one of the main aims of the second white paper (Mncube, 2009). Continuing where the first white paper left off in terms of its principles, the second document was also informed by some of the suggestions made in what was called the Hunter Report, an account commissioned by the Department of Education for a single education system and governance¹¹⁸ (Mothata, 2000; Naidoo, 2005).

¹¹⁷ White Paper on Education and Training in a Democratic South Africa: First Steps to Develop a New System, General Notice No. 196 of 1995 (DOE, 1995).

¹¹⁸ The Hunter Commission on School Governance was a special committee that had been established to draft a report on education legislation, the document produced in August 1995 was named after the chairman of the committee Professor A.P. Hunter (Klicka, 1997; Naidoo, 2005; Jansen, 2002).

Aimed at restructuring the structure of governance at school level, this white paper suggested the devolution of powers, thus empowering communities and parents to participate in school management and policy decision-making (Naidoo, 2005; Mncube, 2009). Mothata (2000, p.6) notes that the paper covered a wide purview including the powers and functions of school governing bodies (SGBs), recruitment of educators, rights of parents, catering for learners with special needs, amongst others. These governance processes include amongst others the setting of school fees or funding in general.

The South African Schools Act of 1996 (SASA) (Act No. 84 of 1996) was to become the foremost law in the governing of post-apartheid education (Pampallis, 2008; Marishane, 2013). In the main, White Paper 2 formed the basis for this new piece of legislation (Mothata, 2000). Education resourcing was apparently the main bone of contention throughout the discussions that led to the adoption of the Act and the ANC had to grapple with this (Pampallis, 2008). Pampallis (2003; 2008) concedes that this policy particularly challenged the ANC more than any other stakeholder as they had to prove themselves as committed to deliver on their historical promises of justice and equity against a reality of limited state resources¹¹⁹. Beyond the issue of limited funding, the policy domain was much contested and overly politicised. The South African Schools Act came into effect at the beginning of 1997. Building on White Paper 2, the Schools Act continued to stress a new approach of democratic governance as well as the fundamental issues of equity, access, and overall redress¹²⁰ (Plank and Sykes, 2003, p.147). Following the approval of the act, only two types of schools were officially acknowledged i.e. public and independent or private schools therefore dispensing with the conglomeration of numerous departments and models of schools (Pampallis, 2003; Naidoo, 2005).

¹¹⁹ The ANC had to ensure the realisation of the right to education as enshrined in the constitution and further restructure the education system as a whole particularly in addressing the issue of unequal financing along racial lines (Rakabe, 2015). The reforms accordingly entailed introducing the new norms and standards to erase the funding cleavage between rich and poor schools; normalising learner-educator ratios; providing a new approach to allocation of teacher positions; and entrusting the state with enabling just and equitable funding in terms of the SASA Act. (Rakabe, *ibid.*).

¹²⁰ The Schools Act accordingly laid a foundation for a single and unified school system, abrogated apartheid school legislation, tackled the issue of school funding, as well as the provision of quality education (Mothata, 2000, p.10).

It is also important to note that the Schools Act instructed all state schools to establish school governing bodies (SGBs) with notable devolved powers, ban corporal punishment, and further made school attendance compulsory for pupils of the ages 7 to 15 ¹²¹ (Pampallis, 2003, p.184).

As it will be revealed in this thesis, the move towards the delegation of powers to determine school fees was arguably the crux of the controversial and difficult aspects of the Schools Act. Schools and other learning institutions had to be granted considerable powers according to the new democratic government (Mayet, 1997, p.1). It is evident that the ANC government wanted to appear to be empowering communities. This stance however does not take into account the historical uneven distribution of power within communities established along racial and class lines. Sayed and Soudien (2005, p.116) illuminate that these interventions have themselves further engendered new forms of exclusion, an unintended consequence, despite the fact that reforms that devolved power to SGBs aimed at correcting historical polarisation caused by apartheid via new administrative policies.

It is also critical to note that the Schools Act introduced the notion of a legal capacity of the school thus making the entity a juristic person with rights and duties e.g. the ability to open an own bank account as well as entering into a contract (Mothata (2000, p.11). In his address to parliament (Hansard, 15 November 2005,p.7202-7204), the Minister of Education Professor Kader Asmal, as he introduced the Education Laws Amendment Bill during the debates in the National Assembly mentioned that he had always been astonished that parliament had not only passed the Schools Act but that the trade unions agreed to it 1996. The legislation gave parents authority and role and the minister highlighted that he was not aware of any other country that gives parents those powers (Hansard, *ibid.*). The 1996 Act only partially addressed the issue of the resourcing of state schools although it achieved creating a unified schooling system (Pampallis, 2003).

¹²¹ The Act dictates that the SGB should be constituted of the principal, teachers, other non-teaching staff, learners, as well as parents (Mncube, 2009). The SGB is required to decide on the mission statement of the school; create an education friendly environment and also formulate policies on school fees, discipline, school uniform, safety, and most importantly quality education (Mncube 2009).

An Education Specialist (September 2014) who was involved in the early debates on the funding norms proffers that the issue was first discussed across the Alliance, where the ANC, the South African Democratic Teachers Union (SADTU), the Congress of South African Students (COSAS) and the South African Students Congress (SASCO) were part of a committee. The process involved a number of stakeholders including Dr Trevor Coomb from the national Department of Education (Education Specialist, *ibid.*). The United States Agency for International Development (USAID) provided technical assistance which included the expertise of one Louis Crouch who basically did some of the analysis and came up with the first draft which was taken by the Department of Education at that stage which consulted with the provinces with regards to how schools had to be funded (Education Specialist, September 2014).

The options for government were either to increase the size of the education budget or to find ways of utilizing non-state funds for public education¹²². In agreement with National Treasury bureaucrats (August 2014), Pampallis (2003) endorses that the first option was not tenable as economic policy dictated that government focus on reducing the deficit and cut spending during the Mandela administration. There was a refrain that the affluent social classes would bring resources into the public system instead of migrating with their money to private schools (Academic, August 2014). The second option, which supported granting SGBs powers to set school fees based on the will of the majority of parents, was eventually adopted by the ANC as they followed the advice of international consultants such as Colin Colclough and Luis Crouch (Pampallis, 2003). Indeed the latter contradictions that characterise education funding were pertinent to the genesis of the NFS policy (Academic, September, 2014). As one of the consulting academics (September 2014) in education research contends, there was a critical contradiction in the whole schooling system which was inherited from 1994 in that schools were given the right to charge fees.

¹²² Accordingly, the Education Laws Amendment Act of 1997 was assented by the President in November 1997 to amend the Schools Act of 1996 (Mothata, 2000). This amendment enabled schools appoint and pay additional non-teaching staff besides the already existing and state paid teaching staff (Mothata, *ibid.*). Parents were expected to raise funds for the remuneration of all additional staff and this was an important proviso (Mothata, 2000; Pampallis, 2003).

Consequently, all schools were given the right to charge fees (even poor rural and township schools) and that was largely because the government wanted to allow the middle classes, largely white but even the emerging black middle classes, to have kind of better resourced public schools (Academic, September, 2014). According to this informant (September 2014), whereas rural schools in South Africa, especially homeland schools and township schools, charged no fees or almost no fees before 1994, in the new dispensation all schools (rural and township) were allowed to charge fees, albeit the fees were generally extremely low. That was partly almost as a by-product of this focus on the suburban schools, the historically advantaged schools that were allowed to charge fees and they charged high fees, relatively high fees (Academic, September 2014).

Having the entire schooling edifice modelled after affluent schools had serious implications for the entire public education system. In township and rural areas schools took advantage of that policy space to charge relatively low fees, in the 1990s the fees somewhere around R50 a year, after 2000 this might have gone up to R100, R150. Thus, in the bigger scheme of things 'it wasn't a terribly high fee' (Academic, September 2014). The Minister of Education (Hansard, 15 November 2001) reported to parliament that it had been discovered that many schools, especially those which are able to collect substantial fees from parents, charge high fees. The Minister declared that the fee structure in public schools had to be investigated as he could not countenance a fee structure where, in a public school, students were asked to pay between R8000 and R12000 a year (Hansard, 15 November 2001).

The National Norms and Standards for School Funding (NNSSF) were introduced in 1998 in order to provide an equitable basis for school resourcing (Pampallis, 2003). The new norms outlined procedures for the exemption of parents who cannot afford fees, public subsidies to private schools, as well as for overall funding (Pampallis, *ibid.*). In the recollection of one informant (Academic, September 2014), the NFS policy was introduced through the amendment of the South African Schools Act., accordingly section 39 of the Act, refers to the NFS. Every year there have been amendments, and one of the amendments was the one that created the NFS policy, the NFS debates started in about 2005, the concept emerged a couple of years before and was debated, but it was legislated in 2006 and it was

implemented in 2007 for the first time (Academic, 2014). The removal of financial hurdles was the fundamental premise of fee-free education (Hall, 2009).

The NNSSF stipulate that a list detailing the status of physical resources and socio-economic levels of schools be developed by the PEDs (Pampallis, 2003). The resource targeting list divides schools into five equal proportions known as quintiles (each quintile equals 20% of schools) based on needs. Schools were classified into quintiles from 1 to 5, schools in quintile 1 were given an option to choose to be NFS, the next year the minister declared all schools in quintile 1 NFS, and that progressively went into quintile 2, then into quintile 3, at the same time the minister publishes annually what is expected from provinces to pay those schools (Budget Analyst, National Treasury, August 2014).

The minister publishes the norms and standards; she publishes the target amount and the threshold amount (Budget Analyst, *ibid.*)¹²³. Accordingly, these categories commonly known as quintiles, present schools in an arrangement that organises them into five classes starting with the most prosperous at the apex and ending with the less affluent at the bottom (Pampallis, 2003). In order not to antagonise rich people the wording ‘poor communities and less poor communities’, instead of ‘rich’ and ‘poor’, was employed for the quintile system (Education Specialist, August 2014).

Indeed the South African Schools Act, states that the Minister of Education can set the National Norms and Standards for School Funding (NNSSF) with the agreement of the Minister of Finance¹²⁴ (Budget Analyst, National Treasury, August 2014).

¹²³ According to the Budget Analyst (August, 2014), the threshold is what schools must be paid at a minimum and the target is what the minister hopes schools can pay if they have the money for it, and that is updated every year, almost as inflation, but it has certainly grew to more than that, but the minister has begun to equalise the payment. So initially the view was that although quintile 1, 2 and 3 eventually all became NFS, quintile 1 was getting more than Q2 and 3. Some provinces, Gauteng province for example, argued at that time already that ‘a no fee school is a no-fee school’ regardless of the quintile designation and therefore all schools should be getting the same allocation. Officially the policy argued that Q2 and 3 are supposedly in better off communities, less poor, so their ability to raise funds is greater than Q1 schools, they could differentiate between the two, but they progressively moved to the Gauteng position to say that all NFS are the same and should be funded at the same level.

¹²⁴ The Minister of Education has to reach an agreement with the Minister of Finance, consult the Financial and Fiscal Commission and the Council of Education Ministers, before publishing the norms and standards that provide funding to private schools in the Government Gazette (Section 48, South African Schools Act [Act No. 84 of 1996]) (RSA, 1996b).

The Education Specialist (August 2014) also agrees that policy was adopted as a legislative endeavour according to the Schools Act as it stipulates that the Minister of Education in concurrence with the Minister of Finance must publish norms and standards as per the legislative mandate.

From the National Treasury, the general budget documents and the guidelines for budget submissions have to be adhered to as part of the budget negotiation or the budget making process (Budget Analyst, National Treasury, August 2014). According to the Budget Analyst (National Treasury, August 2014), when the NNSSF were changed to introduce the No Fee Schools policy, the move was evidently going to have a financial implication especially since the amendment had an equity provision, i.e. certain schools were going to be declared 'No Fee Schools' and from thenceforth were going to be funded 100 percent by the state, as opposed to still receiving private contributions from parents like other schools, government had to make up for the loss of contributions (Budget Analyst, August 2014).

Thus the NFS policy as outlined in the NNSSF of 2006 and the school-fee exemptions introduced by the Schools Act of 1996 constitute the foremost policy interventions aimed at lightening the burden of school fees for poor communities (Hall, 2009). Indeed the NFS is based on the national norms and standards which came out in 1998; the NFS was a reaction to that policy that failed (Education Specialist, August 2014). Policy failure in this instance specifically refers to the inherited practice of allowing schools to charge schools fees as stipulated in the Schools Act of 1996.

Whilst the National Norms and Standards for School Funding (NNSSF) as introduced in 1998 provided guidelines for provinces to allocate funding in public schools, the continued charging of school fees by schools created a lot of hardship for poor communities. In the meantime, the Department of Education undertook a study on resourcing and financing of education, and the study revealed the discrepancies in the policy; parents losing houses for failure to pay schools fees, kids being beaten for the failure of their parents to pay, kids denied books, kids paraded before their peers and humiliated for non-payment of fees,

and kids not receiving year-end school reports due to failure of parents to pay, government then had to intervene to outlaw such practices¹²⁵ (Education Specialist, August 2014).

Around 2003 the government commissioned a research study titled ‘The Resourcing and Funding of Schools in South Africa’, and this led to the minister adopting an action plan towards free education, and that’s where the concept of No Fees Schools came about (Education Specialist, August 2014). All of these developments occurred during the last term of Professor Kader Asmal as Minister of Education, 1999-2004. The policy was approved in February 2004, there was a general election in April, and the policy was then published by the new minister Naledi Pandor in 2006 to come into effect in 2007 (Education Specialist, August 2014). According to the Hansard report of 15 September 2005 (p.7202-7204), the Minister of Education introduced the Education Laws Amendment Bill during the debates in the National Assembly whereby she declared that; South Africa would have ‘no fee schools’ after the passing of a revolutionary legislation that guaranteed improved funding for free education in poor communities and fee exemption for qualifying parents.

By 2006, the ANC was already celebrating the fulfilment of its vision of 51 years to provide free, compulsory, universal and equal access to education for all (ANC, Member of Parliament, Hansard, 17 August 2006). In 2006 the ANC as the governing party celebrated the confirmation by the Ministry of Education that 40% of the 30 000 national schools had been proclaimed fee-free schools (Hansard, 17 August 2006). Also in 2006, an ANC Member of Parliament (Hansard, 27 February 2007) reported that the implementation of the NFS policy was gathering pace across the country.

In the Mpumalanga province, as an example, the implementation of equal, compulsory, free, and universal education was already taking place as the no-fee schools increased to benefit over 400 000 learners and this was applauded by the ANC government (Hansard, *ibid.*). In a National Assembly debate (Hansard, 27 February 2007) the Deputy Minister of Education stated that South Africa can celebrate the fact that more than 5 million learners in the

¹²⁵Whilst introducing the Education Laws Amendment Bill, the Minister of Education pointed out that one woman who had been unable to pay school fees for her children faced a court charge for a debt that had multiplied (Hansard of 15 September 2005 (p.7202-7204). In her efforts of ensuring that her children and those of her deceased brother had access to education, the woman had plunged deeper into debt.

country were then beneficiaries of attending no-fee schools. The Deputy Minister further asserted that the introduction of the NFS was not something new and that as of 2006 it had already occurred that 20% of schools had been covered (NFS pilot phase) and that for 2007 the number had been expanded to 40% meaning that 12000 schools had been declared NFS (Hansard, 27 February 2007). It is critical to note that in South Africa the financial year for the state runs from April to March of the following year. As such the NFS implementation was in August 2006 and the practically the roll out began soon thereafter in the middle of the year way before a new budget was declared. The official opposition party, the Democratic Alliance, argued that poor schools around the country were being bankrupted by the Minister of Education's overhasty implementation of the NFS policy (Hansard, 27 February 2007).

Subsequent to the promulgation of the policy, another amendment was made to the norms and standards in 2007, in poor provinces such as Limpopo there were schools in quintiles 4 and 5 that were charging fees in 90% African and poor communities, and if you proxy African to poor, then you already covering sixty per cent of the learners, from that analysis it was then decided to allow the schools to voluntarily become NFS and in exchange for that they would get a higher allocation (Education Specialist, August 2014). From the time the policy was amended in 2003 the effect has been quite noticeable in as far as the number of schools not charging fees is concerned and this is documented in household surveys.

In 1994 the percentage of black schools not levying school fees was high, and then suddenly this number went down around 2000 because from 1996 the Act had allowed schools to charge fees (Education Specialist, August 2014).

Indeed the dip started happening in 1996, then this is where the minister had a realisation around 2002 that something had to be done (Education Specialist, *ibid.*). The period 2002 marked policy review phase concurrent to policy implementation stage, and this is where the NFS policy originated, with the advent of the new policy the numbers of schools not charging fees increased once again, and that is the whole story (Education Specialist, August 2014).

By June of 2007, there were reports and complaints that some of the schools that had been declared NFS had not received their allocated budgets (ANC MP, Hansard, 06 June 2007). The response by the Minister of Education (Hansard, 06 June 2007) stated that prior to the implementation of the policy on 01 January 2007 guidelines were provided from national to provincial departments on the funding of the no-fee schools. The provinces had assured the Minister that the guidelines were being implemented and provinces had made all the arrangements necessary to minimise the impact of the transition to no-fee schools where schools were previously dependent on receiving funds from school fees (Minister of Education, Hansard, 06 June 2007).

Even though the policy had commenced in 2006 with the pilot phase, the Minister of Education highlighted that the implementation started for the first time in 2007 and that the department had selected few schools in order to ensure that they receive funds on time as well as to prepare for a larger roll out in 2008 (Hansard, 06 June 2007). Certain hurdles were identified with regards to the classification of schools within the quintile system; the Minister noted that in some poor communities there would be schools that have not been declared as no-fee schools by the provincial schools whilst their counterparts had been classified as such (Hansard, *ibid.*). This discrepancy was also noted by a number of people including ANC politicians as well as opposition Members of Parliament who reported on separate occasions that two schools could be separated by a road but have only one of them declared a no-fee school (Hansard, 2007; Politician, August 2014). This case study has established that the classification of schools as NFS is a technical process that is marred by contradictions and other challenges due to the larger structural issues such as poverty, inequality and unemployment that affect the communities beyond school premises.

6.6 Conclusion

This case study is an illustration of the exercise of conjunctural state autonomy at micro policy level. The narratives on the formulation of the NFS policy reflect the justification of policy choices and institutional reforms by elite informants within the bureaucracy and the governing party the ANC.

As conjunctural state autonomy was firmly established after the first term of the ANC government in 1999, resulting from the historical context of transition and the introduction of the post-apartheid dispensation and the continuity of the dominant neoliberal framework of ideas, state bureaucrats faced both enablers and constraints in their exercise of relative state autonomy.

Path-dependence is markedly notable in the formulation of the NFS policy as the pronouncement of the South African Schools Act in 1996 is characterised by significant continuities from the apartheid education policies especially when it comes to governance and financing. Even though there is restructuring of the education system at national and provincial level, education resourcing is still characterised by apartheid affordability patterns that divide the system into poor and affluent schools. Nevertheless, the post-apartheid bureaucracy is able to conduct research and effect incremental forms of policy change by introducing a few amendments which culminate in the NFS policy in 2006.

The introduction of the NFS policy comprises first order change (Hall, 1993). The NFS as an incremental micro policy intervention does not bring about fundamental socio-economic change. First and second order changes serve as mere adjustments to existent policy instruments, the instrument that was being adjusted in this instance is the Schools Act of 1996. Going back to the Schools Act, there have been several adjustments such as the Admission Policy of Ordinary Public Schools (1998) and the Regulations Relating to the Exemption of Parents from the Payment of School Fees (2006). The 1998 norms and standards had been introduced to factor-in and allow the charging of fees across the schooling system. The charging of fees created a burden for poor communities hence the Department of Education ordered a study in 2003 to investigate the impact of fees on communities. The charging of fees was clearly a policy disaster as it created difficulties for the poor communities leading to exclusion of pupils.

The result of the research informed the move by the Minister of Education Professor Kader Asmal to initiate the fee-free schools policy instrument. The policy was finally approved in 2006 and began implementation in 2007.

The quintile system was introduced to classify schools that qualify as NFS starting with the poorest up to the least poor. As the policy was being rolled out over the years quintile one to three schools were declared NFS and the preponderate of these schools is within poor communities.

In its purpose to trace policy change that led to the adoption of the NFS policy in 2006 this chapter has been divided into three parts. Firstly there is an introduction that provides a generic and historical background on the early developments towards equity on access to education. Secondly, the chapter proceeds by presenting two periods of policy reforms. The first period covers the transition phase 1990-1994 whereby some interventions were introduced by the out-going apartheid government, and then there is the democratic era which builds up on the transition and history in general. This chapter relies on primary informant accounts and parliament reports supported by secondary literature which includes, inter alia, government reports and academic works by education researchers.

Chapter 7 Conjunctural State Autonomy, Macro-Economic Stability and Incremental Change: A Discussion.

7.1 Introduction

This chapter provides a synthesis of the thesis combining literature and data. There are two important objectives targeted by this chapter; firstly, it aims to provide a discussion of the core argument of the thesis through integrating primary data from the empirical chapters with the theoretical assertions on state autonomy and incremental policy change as articulated in the literature review chapter. The analytical contribution of this chapter is the application of the historical institutionalist approach in explaining post-apartheid public policy through the concept of conjunctural state autonomy. Through the historical context, the dominant paradigm of ideas and the state bureaucracy the relative autonomy of the state was exercised culminating in the concept of conjunctural state autonomy. The chapter is divided into three sections. The first section provides a theoretical discussion which interrogates theories of state autonomy from both the Neo-Marxist conception of relative autonomy and the state-centred approaches in attempts to find the most fitting explanation and narrative for the post-apartheid state's type and exercise of autonomy.

The second section explores the incrementalist model to policy change. The last section provides a thematic discussion and synthesis whereby several themes are identified from the data and integrated with the theoretical underpinnings of this thesis looking at each of the case studies. Building on the first objective, the second aim of this chapter is to provide an original interpretation of the exercise of relative state autonomy and incremental policy change in post-apartheid South Africa from a historical institutionalist perspective. The conclusion foregrounds the concept of 'conjunctural state autonomy' as a central and unifying theme that is instrumental to the creation of space and latitude for state action.

Departing against dominant narratives on post-apartheid public policy that have claimed non-change, this thesis contends that the post-apartheid state has been differentiated by possession of a significant amount of autonomy that has enabled it to create and maintain macro-economic stability whilst introducing incremental policy change since 1994.

This thesis further asserts that it is the configuration of relative state autonomy and contextual factors operating as structures that has enabled the emergence of conjunctural state autonomy. The negotiated settlement which brought the ANC into power in 1994 came at the price of restricted options and compromises especially in terms of economic policy formulation (Turok, 2008a). The post-apartheid dispensation became to be defined by a lack of significant change despite enormous reforms in what came to be known as a passive revolution (Satgar, 2008, p.52).

Marks (1998, p.17) points at the contradiction of the simultaneous existence of change and a sense of inactivity. As the dominant literature fails to distinguish between macro and micro policies and what is achievable or not achievable between the two levels, it generally lumps all developments into a single category claiming that post-apartheid public policy arises from South Africa's integration into a neoliberal global hegemony and domestic elite-pacting creating contradictions and ambiguities (Freund and Padayachee, 1998; Bond, 2000a; Taylor, 2001; Narsia, 2003, Koeble, 2004). The latter arguments are however conducted without offering convincing nuanced accounts that explain how policy change occurs primarily at the realm of ideas and how those overarching ideas have been translated within policy processes and content at the different levels for example in GEAR and micro policies such as FBE and NFS. Macro-economic policy is arguably the core of the capitalist economy and is thus not interchangeable with micro policies as the two levels of policy play distinct roles, and this backdrop is important in understanding the exercise of state autonomy and how policy change occurs.

Most critique paints all public policy with a broad brush alleging that there was clearly a calculated acceptance that conservative orthodoxy was inescapable to avoid massive retaliation by international and domestic capital (Bond, 2000a; Turok, 2008a; Marais, 2011). Other accounts imply that alternative policy paths to orthodoxy could have been possible and thus critique the transition's outcome as an attempt by the ANC to placate the interests of capital whilst abandoning the mandate to transform the socio-economic landscape (Habib, 2013). The latter arguments are in line with leftist accusations of the ANC having 'sold out' long-held positions on economic policy (Magubane, 2004; Turok, 2008a).

It is also notable that destitution, inequality, criminality, HIV/AIDS, and joblessness have persevered despite commendable achievements of a rigorous macro-economic policy characterised by a well-adjusted budget, economic stability, and reduced inflation (Turok, 2008a).

Again this reveals a lack of discernment in terms of the purposes and the roles of the macro-economic policy framework versus the rest of the micro policies as the two levels are not interchangeable and perform different roles. As one informant argued (Deputy Governor, Reserve Bank, September, 2014), “the jobs don’t come from macro policies, the jobs come from micro economic reform policies, it is taking the sectors and getting into each one of those sectors and say what is constraining this sector from growing and alleviating those constraints”.

The dominant literature on South African public policy fails to acknowledge the distinctions between macro and micro policies and most importantly the untapped potential of the latter in socio-economic transformation. This thesis has demonstrated the potential and instrumental role that micro policies are capable of playing in policy reform. Through the binary of macro and micro this thesis not only highlights peculiarities between the macro-economic policy framework GEAR and micro policies FBE and NFS but also reveals that situating policies at the two levels illuminates dissimilarities in terms of roles that the types of public policy play within the larger policy landscape. Typology of policies is arguably important as it provides a vantage point of the policy landscape, distinguishing macro-economic policy GEAR from the rest of the micro policies including those in education and energy as demonstrated in this thesis, accentuating the centrality and importance of the macro-economic policy framework above the rest. On the other hand the dominant literature is undergirded by an economic determinism and preoccupation with the macro-economic policy framework whilst generally neglecting micro policies and the distinctive role that they play in the political system.

Moreover, dominant narratives on South African public policy have failed to appreciate the success of attaining macro-economic stability in a society and economy that was on the verge of an economic crisis and teetering on the brink of a civil war (Marks, 1998, p.18).

Not acknowledging macro-economic stability as an achievement has further resulted in unsystematic analyses within dominant narratives that continue not to appreciate incremental policy change as a success especially at micro policy level such as in the case of FBE and NFS as presented in this thesis. The reintegration of South Africa into the neoliberalised global economy and the constraints that this arrangement brings to bear thwarted all post-apartheid aspirations of totally transforming the country that the ANC had imagined during the liberation struggle (Taylor, 2001). Accordingly the post-apartheid state's policy options are predetermined by the prescripts of the neoliberal ideology which dictate what is possible as these ideas coerce the ANC led government into acceptance of the status quo and limits its manoeuvres (Taylor, *ibid.*).

Thus in contrast to the leading arguments, this thesis concisely contends that whilst macro-economic policy stayed stable at ideational level, incremental changes were introduced in terms of targets and adjustments proposed by GEAR as well as significant reforms at micro policy level. This thesis therefore moves away from the wholesale approach and uniform treatment of all public policy that purports that macro-economic policy and micro policies carry the same conceptual and instrumental weight. This thesis relies on the historical institutionalist approach as it makes a distinction between levels of public policy, types of change, as well as the roles of state autonomy, ideas, configurations and the historical context in bringing about policy change.

In its explication of macro-economic stability and incremental policy change, this thesis introduces the conception of 'conjunctural state autonomy'. Conjunctural autonomy is herein described as a form of relative state autonomy that is characterised by the ability of the state bureaucracy to exercise authority to institute action with little or no resistance from societal interests and pressures primarily due to a configuration marked by a confluence of historical factors such as decisions and compromises made at a prior context, possession of specialist knowledge and support of the prevailing framework of ideas.

It is the argument of this thesis that conjunctural state autonomy could be read as representing a perfect storm of variables and is time and context dependent and results from the confluence of at least three factors, namely; historical decisions and compromises, professional bureaucracy with specialist knowledge as well as the dominant framework of ideas (this being the prevailing monetarist paradigm). The three factors form a distinct and exacting configuration in a specific temporal structure. Because conjunctural state autonomy depends on the convergence of all three factors working in concert at a particular point in time (the temporal structure of the transition period and the early years of the democratic dispensation), it is unlikely to be continuous and its exercise is furthermore improbable to be repeatable once the sequence of factors or the configuration is disturbed as one or more of its original elements become unavailable.

Whilst conjunctural autonomy might appear fortuitous, one of its fundamental factors, ideas or the prevailing paradigm, is quite formidable and enduring, it becomes difficult to replace a paradigm as the gestation period of new ideas or alternatives is very long. This thesis further foregrounds the importance and centrality of ideas. At any given point in time there is an operational framework of ideas. Consequently, it can be argued that ideas do not leave a vacuum. Moreover, ideas can only be replaced by other ideas. A paradigm can only be replaced by another paradigm, another coherent set of ideas and not mere fragmented ideas or objections as presented in the dominant literature. Without a coherent counter-paradigm the prevailing framework of ideas continues to be dominant. Micro policy ideas cannot replace the dominant paradigm that sustains the macro-economic policy framework. Inversely, a macro policy paradigm such as monetarism brings pressure to bear across the micro policy domain and determines what is feasible within policies such as NFS and FBE.

The limitations to conjunctural state autonomy are quite glaring. Conjunctural state autonomy is circumscribed particularly at paradigmatic level (macro-economic policy) hence this thesis highlights that its exercise is salient predominantly at micro policy level where incremental policy change is implemented as new adjustments are continuously introduced.

This thesis further reveals that whilst incremental policy change is achievable, it is not totally transformative but rather reliant on policy legacies and therefore is path dependent as it proffers gradual adjustments which do not reverse earlier decisions and compromises.

7.2 The Post-apartheid State and Conjunctural Autonomy

This thesis, inter alia, departs from the argument that in order for the post-apartheid state to be able to introduce institutional reforms and effect incremental policy change it had to be endowed with substantial autonomy.

The ability of the post-apartheid state and bureaucracy to achieve macro-economic stability and effect incremental policy change hinged on a configuration which created room to exercise significant relative state autonomy. Whilst this autonomy would not be absolute but only relative and sufficient for the state to take action, it enabled state bureaucracy to effect institutional reforms and formulates new policies. Beginning at macro-economic policy level, the state bureaucracy enjoyed sufficient autonomy to effect a seamless changeover from apartheid rule to the democratic dispensation. The transition also broadly meant that the post-apartheid state could maintain the mixed capitalist economy as inherited from the apartheid regime.

In order to understand how a seamless transition, macro-economic stability, and important continuities were achieved, two points become important, one; the historical context and the actual transition period, and two; the prevailing macro-economic paradigm or ideas. The historical context of transition and the parallel juggling of negotiations with the ANC's own internal processes such as the policy conferences and other gatherings become critical. It is certainly during the transition period that crucial ideas set the scene for a democratic South Africa. Firstly, the Ready to Govern (RTG) document that was produced by the ANC policy conference of May 1992, as detailed in the preceding chapters, prepared the ground for the installation of the monetarist GEAR policy after 1994. The macro-economic disposition of the last National Party government as well as the dominant monetarist ideology within the global economy proved to be consonant with the orthodox policy stance freely adopted by the ANC in its 1992 Ready to Govern document (Habib, 2013).

In the same vein, attempts to introduce an alternative macro-economic paradigm through the supposed neo-Keynesian Macro Economic Research Group (MERG) document failed as they did not receive support within the ANC (Marais, 2011). Secondly, the commitment to the monetarist economic paradigm was further affirmed in the Interim Constitution of the Republic of South Africa (Act No. 200 of 1993) which outlined the independence as well as powers and functions of the Reserve Bank.

Whilst the RDP Base document, which also served as the ANC's election manifesto for the first democratic election in 1994, was much celebrated especially amongst the trade union movement COSATU, the RDP White Paper produced by the ANC in government in November 1994 reiterated the party's commitment to an orthodox economic policy. In other words the incoming ANC government assented to the prevailing monetarist framework of ideas and this laid the foundation for GEAR as this further ensured a seamless handover from the last apartheid regime to the democratic dispensation.

GEAR, as an overarching assemblage of mostly existing macro-economic policies, was to further guarantee adherence to the prevailing monetarist paradigm and this certainly amplifies the importance of ideas before the actual institutional reforms were undertaken to reconfigure the state and revise policies at national and local government levels. As discussed in the empirical chapters, in essence the only new thing with the GEAR strategy was the encasing of already existing macro-economic policy positions (Gelb, 2006).

Macro-economic stability was important at several levels. Stability was important for averting an economic and political crisis in a country that emerged from a fragmented collection of disparate, balkanised and differently governed territories whilst united by a common purpose of apartheid. Furthermore, stability allowed the state to maintain critical areas of continuity and institutional cohesion at national government level whilst guaranteeing the autonomy of the South African Reserve Bank as articulated in the Interim Constitution of 1993 and later in the final constitution in 1996. Other continuities entailed retention of key members of state bureaucracy particularly in departments such as National Treasury and the Reserve Bank.

Macro-economic stability also created plentiful room for the bureaucracy to manoeuvre and reconfigure the entire state machinery as demonstrated in departments discussed herein such as the National Treasury, the Departments of Education and Energy, as well as at local government level where a totally new municipal system was introduced.

This thesis argues further that the brand of autonomy enjoyed by the post-apartheid state could not necessarily be attributed to a single factor but the dominance of the monetarist paradigm is forceful and key to the maintenance of conjunctural state autonomy. The timeous confluence of several disparate factors such as the negotiations held during the transition period, adherence to the dominant monetarist paradigm at macro-economic policy level as well as maintaining a professional bureaucracy resulted in 'conjunctural state autonomy'.

The state-centred approach, as articulated by historical institutionalists, and the neo-Marxist conceived society-centred outlook have been identified as the two principal theoretical methods to the autonomy of the state (Ianoni, 2013). Indeed within this thesis the concept of 'relative autonomy' has been applied to describe the type of autonomy exercised by state bureaucracy within the post-apartheid state. This thesis has utilised the formulation of 'relative autonomy' in two basic ways, firstly as a neo-Marxist concept of describing state action within a capitalist society, and secondly, in a manner akin to statist theory which refers, in a literal sense, to the limitations of the autonomy a state might enjoy as it is nearly impossible for a state to attain absolute autonomy under capitalism. It has already been established within this thesis that the reductionist Marxist scholarship conceived the state as relatively autonomous and largely swayed by class-situated determinants that favour the ruling elites and the capitalist system in general (Skocpol, 1985; Amenta, 2005; Hay, 1999).

This thesis therefore attempts to integrate elements of both statist and society-centred approaches in its explanation of state action as carried out by post-apartheid bureaucracy. As Ianoni (2013, p.578) asserts, the two approaches can be reciprocal in their explication of political phenomena, experiences, and outcomes despite their disparate theoretical origins as methods and thus they do not have to be deployed separately.

A vigorous autonomy of the state within democratic settings is a result of both state-centred and society-centred influences that originate from the convergence of social-developmental and capitalist ideas and a balance between activism of labour and capital (Ianoni, 2013, p.578). The combination of neo-Marxist perspectives with state-centred arguments is not a rarity in state autonomy inquiry (Amenta, 2005, p.102).

As Klyza (1992) points out, scholars should not seek to prove the explicatory prowess of one approach, e.g. state-centred method, in order to confirm the existence of state autonomy as if that outlook is applicable across dissimilar settings. Instead, the demonstration of the relevance and appropriateness of an approach such as the society-centred neo-Marxist perspective as best suited to a particular context should be the main objective and motivation behind its election (Klyza, 1992). One could for example either identify the most suitable approach for the explanation of the emergence of GEAR in 1996 or proffer a blend of both state-centred and society centred orientations for better explication. Within different policy domains, the most suitable approach has been designated to explain specific policy outcomes whether this be pluralism or Marxism ¹²⁶ (Klyza, *ibid.*).

This thesis has thus far at least established that it is impossible for the capitalist state to have absolute autonomy from societal interests. Whether one agrees with the neo-Marxist concept of 'relative autonomy' or disagrees with the state-centred arguments, there are indeed bounds to the autonomy and capacities of the capitalist state. These limitations moreover have an impact on the ability of the state to formulate its policy goals. A number of perspectives have been used, either individually or in tandem, to explain the manner in which states develop policy goals (Skocpol, 1985). Public officials are able to introduce fundamental change regardless of the interests and demands of influential social forces due to the integration of states into international bodies and networks¹²⁷ (Skocpol, 1985, p.9).

¹²⁶ Klyza (1992, p.176) asserts that scholars should isolate the fundamental traits of each approach and justify why it is the most fitting in the explication of a particular case instead of being fixated with finding the most superior theory.

¹²⁷ State officials operating as a coherent grouping are thus able to resist powerful societal interests and pressures to resolutely act under trying conditions as they enjoy insulation from the ruling classes, labour, and capital (Skocpol, 1985).

The latter is quite noticeable in the formulation of GEAR policy in 1996 where the newly established democratic dispensation had to abide by the prescripts of a neoliberal or monetarist global economy. Moreover, there was noticeable activity of transnational elites and consultants from organisations such as the IMF and the World Bank on the eve of the new dispensation in South Africa.

This thesis has already narrated how state officials spearheaded the process of the formulation of not only GEAR but also of the micro policies FBE and NFS away from the interference and scrutiny of major societal forces. Policy-making has proven to be an independent endeavour largely driven by public officials occasionally against the interests of imposing ruling classes (Korpi, 1989). It is imperative for policy-making studies to accentuate the significance of the role of state officials in the development, approval and execution of public policy (Nordlinger *et al.*, 1988).

Indeed giving the state a narrow-definition personified as a policy-making actor seems useful for this thesis as it identifies the professional bureaucracy as an important element of conjunctural state autonomy (Mitchell, 1991). The next critical point to consider is the historical context from whence the state and its bureaucracy emerge. In a historical institutionalist custom, history is of vital importance and thus this thesis concurs with the notion that history should be understood as much larger than a collection of past actualities (Pierson and Skocpol, 2002).

The observation of processes over time is critical for the understanding of intriguing political outcomes and the social and political orders that prevail and this type of inquiry requires combing the past over long periods (Pierson and Skocpol, 2002). The post-apartheid state is not an entirely new polity but rather a reconfigured constellation of historic institutions from the apartheid and colonial periods including the homelands or Bantustan governments. In an incrementalist fashion, the reconfiguration of state institutions has continued periodically after 1994.

Consequently, neo-Marxist analysis that ahistorically groups all capitalist societies into a single category and simply pays attention to empirical aspects but not causation has been slated by state-centred commentators (Amenta, 2005). Scholars were accordingly encouraged to examine country cases within a historical context and to conduct comparison (Amenta, *ibid.*). This thesis has again accentuated the historical context as an important element of conjunctural state autonomy as it provides the backdrop against which the other factors interact.

Causal inference can be influenced by historical developments and thus it is important for this thesis to pay attention to the context within which policy development occurred¹²⁸ (Pierson and Skocpol, 2002). This thesis therefore attempts to theorise about causation by looking at the historical factors responsible for particular political outcomes (Pierson and Skocpol, 2002, p.6). A variety of causes, including intellectual development, warfare, geopolitics, laws, irregular processes of development politically, bureaucratically, and economically, tend to mould state institutions in diverse ways¹²⁹ (Amenta, 2005, p.99). Thus the incremental changes that were introduced after 1994 are built upon particular historical developments. This thesis demonstrates how historical patterns in each of the case studies shaped later decision-making.

This thesis has already revealed how the new post-apartheid state was configured through a series of institutional reforms as well as maintenance of certain aspects of the government machinery in order to ensure stability and the phasing-in of incremental change. Political outcomes accordingly tend to be persuaded, whether directly or indirectly, by extensive historical developments and macro-structural determinants (Amenta, 2005). Enduring political tendencies could be explained by the different macro level dimensions of countries as these diverge significantly over time (Amenta, 2005).

¹²⁸ Analysing the causal relationships as well as temporal dimensions of variables such as simultaneity and sequences are important in investigating claims that are theoretically grounded (Pierson and Skocpol, 2002, p.699).

¹²⁹ In the age of industrial capitalism issues that appear long after certain political arrangements have been established tend to be largely influenced by the existence of such historical patterns and thus new developments may have little or no impact regardless of the pedigree of the initial arrangements (Amenta, *op cit.*).

Historical institutionalists have attributed the driving forces of positive feedback and self-reinforcing practices within a political order to the notion of path-dependence (Pierson and Skocpol, 2002). Path-dependent processes follow unambiguous reasoning, once a course has been established over a period of time it becomes challenging to alter it, effects of a critical juncture activate feedback mechanisms into the future whereby these arrangements are reproduced (Pierson and Skocpol, 2002, p.6).

As it is discussed under the micro policies in particular, the concept of path-dependence is useful for explaining incremental change in post-apartheid policies. The development of individual policy instruments is contingent on the configuration of large scale processes of, inter alia, social change, party system, bureaucratisation, and democratisation which consequently dictate which policies emerge and get accepted (Amenta, 2005). The identities and choices of political actors even at lower levels happen to be determined by the structures of states at macro-level (Amenta, *ibid.*). It is thus the argument of this thesis that such macro-level political processes create an environment which results in the existence of different forms of state autonomy and path-dependent incremental change.

DeCanio's (2010) contention on the lack of studies that isolate variables responsible for state autonomy indirectly resonates with Nordlinger's *et al* (1988, p.877) thesis of 'autonomy-enhancing conditions' as well as Skocpol's (1985, p.14) idea of 'structural potentials', they all seem to be referring to the same phenomenon, i.e. a configuration of factors responsible for enabling or constraining the exercise of state autonomy. Similarly this thesis highlights the confluence of factors responsible for 'conjunctural state autonomy'.

Geddes (1994, cited in DeCanio, 2010, p.216) has argued that whilst most commentators focus on policy outcomes, it is yet to be determined which qualities of the state structure are responsible for its autonomous action and the subsequent generation of political consequences. Nordlinger *et al.*, (1988) have argued that factors such as support from the leading fractions of society, favourable conditions, and autonomy-enhancing capacities converge to enable the state to act autonomously.

From the evidence gathered within this thesis is clear that the support for state action arose from the combination of context, ideas and professional bureaucracy hence the proposition of the concept of conjunctural state autonomy. What seems to emerge from the various accounts is that instead of searching for the locus of state autonomy or attempting to measure the degree to which the state is capable to act autonomously, one should rather look for a combination of variables that catalyse the existence of state autonomy. Regardless of state-society preferences, it has been established that the preponderance of states regularly acts autonomously (Nordlinger *et al.*, 1988, p.883).

It is also worth highlighting that ‘autonomy’ has been delineated in diverse ways depending on the context and the state under investigation. For example Yang and Zhao (2014, p.65) defined China’s autonomy as derived from the country’s historical legacies and constrained by the state’s performance based legitimacy in what they referred to as ‘bounded autonomy’.

Evans (1995) identified corporate coherence as a fundamental trait that granted South Korea what he termed ‘embedded autonomy. South Korea as a developmental state constituted a Weberian ideal type with its inner bureaucratic organisation and sturdy linkages to society which once combined enabled the development of policy goals (Evans, *ibid.*). Contrary to DeCanio’s (2010) call for the isolation of variables responsible for state autonomy which identified just one important variable, this thesis argues that state autonomy derives from a combination of factors rather than from a single variable. That notwithstanding, this thesis further acknowledges the centrality and importance of the prevailing framework of ideas amongst factors that are critical to explaining the relative autonomy of the post-apartheid state.

What becomes germane to this thesis on relative state autonomy is an innovative theoretical explication that uses both macro and meso level organisational argumentation that fuses pluralist and Marxist contentions (Amenta, 2005, p.102). Arguing in the historical institutionalist tradition, this thesis highlights path-dependent temporal processes and conjectures in its analysis of institutional configurations (Pierson and Skocpol, 2002).

This thesis thus, *inter alia*, foregrounds the centrality of state bureaucracy in the execution of state action whilst arguing that South Africa's process of historical development conjured a peculiar brand of state autonomy after 1994. This 'conjunctural autonomy' obtains from a combination of several factors which situate state bureaucracy at the forefront of the post-apartheid state's policy making. The 'conjunctural autonomy' allows the state to adjust its policies and implement new policies and its institutional designs once the economy faces problems, while the societal pressure compels the state to use its autonomy prudently, at least for the past two decades, since the advent of democracy (Yang and Zhao, 2014). It is important to note that factors that are active within a configuration are highly unlikely to function freely of one another; hence this thesis makes a case for a 'conjunctural' type of state autonomy¹³⁰ (Pierson and Skocpol, 2002).

The first important factor for conjunctural state autonomy is the prevailing monetarist paradigm. What contributes towards 'conjunctural autonomy' was, and continues to be, the absence of a viable alternative paradigm to the prevailing monetarist framework of ideas. This factor falls within the realm of ideas and is indeed multi-layered. It has been noted that within the policy process ideas are very instrumental (Hall, 1993; King and Hansen, 1999). Public policy models which stringently focus on ideas in a systematic manner have been developed by historical institutionalists whilst not losing sight of the distinctions between ideas and institutions (King and Hansen, 1999).

This thesis has already established that by the time GEAR was formulated in 1996, the ANC as a party in government had long embraced conservative monetarist orthodoxy as the paradigm that informs macro-economic policy formulation as far back as 1992 in the document 'Ready to Govern'. Attempts to introduce contending paradigms such as neo-Keynesianism through the Macro Economic Research Group (MERG) in 1993 failed. Tied with the importance of ideas in policy making is the complexity of economic policy as a subject matter in particular to the general public.

¹³⁰ The real world is usually characterised by the concurrent activity of diverse variables whereby institutions and similar outcomes could have disparate origins (Pierson and Skocpol, 2002, p.15). Macro-level institutions, culture, and temporality could thus structure causal variables (Pierson and Skocpol, *ibid.*).

The inaccessibility of some public policy matters to the layperson in terms of their requiring highly specialised knowledge allows politicians and state bureaucrats the latitude to formulate policies away from public scrutiny¹³¹. This could be construed as either a factor of public ignorance or limited knowledge (Wilson, 2000; DeCanio, 2010).

As already indicated in the empirical chapters, the introduction of GEAR was received with strong opposition from the likes of COSATU and other leftist organisations. Amongst the debates was that the ANC had departed and abandoned a Keynesian platform in the RDP base document (Adelzadeh, 1996; Bond 2000a; Marais, 2011). However, Hall (1993) contends that Keynesian ideas had been discredited by 1979 in the entire West hence the appearance and subsequent approval and supremacy of monetarist ideas in the global economy¹³². Opponents of GEAR locally therefore argued against the ideological underpinnings of monetarism without offering an alternative and coherent set of ideas that could be debated to replace the prevailing orthodox paradigm.

The second factor that contributes towards this ‘conjunctural autonomy’ is thus South Africa’s historical context of transition and the negotiated settlement. This is the site for decisions and compromises that were made. The post-apartheid state derives its autonomy from South Africa’s historical legacy and the autonomy is constrained by the negotiated-settlement whilst the attainment of the democratic dispensation provides its legitimacy. Ideological legitimacy means that a state’s right to rule or govern is justified by a certain value system such as a democratically elected government¹³³ (Yang and Zhao, 2014). The ‘historical dividend’ and societal forces have played a crucial role in the maintenance of stability as well as the resulting conditions that have enabled state bureaucracy to institute a process of reforms after 1994 (Yang and Zhao, *ibid.*).

¹³¹ As an example, in order for scientific knowledge to be useful as policy advice it is imperative that it be framed in an accessible manner for policy makers (Knaggard, 2014). Politicians have a tendency to depend largely on political knowledge and what they agree upon as politicians in instances where they find scientific knowledge not packaged in a user friendly manner (Knaggard, *ibid.*).

¹³² Despite the flourishing market place of ideas that ensued following the unravelling of Keynesian economic perspective in the 1970s, there has not been any emergence of alternative ideas to unseat neoliberalism as the paradigm in force (Snowdon, *et al.*, 1994).

¹³³ The current institutions also derive their legitimacy from the absence of contending alternative political institutions such that the prevailing order is accepted despite its weaknesses and failures (Yang and Zhao, 2014, p.70).

The third factor contributing to ‘conjunctural autonomy’ is the presence of a professional state bureaucracy that straddled the two foremost institutions, namely, the National Treasury and the Reserve Bank. Whilst the independence of the Reserve Bank was retained, state bureaucrats championed reforms that reconfigured the Department of Finance resulting in the new National Treasury¹³⁴. At the dawn of democracy the new dispensation managed to retain, amongst others, heads of the Department of Finance (Minister Chris Liebenberg, 1994 to 1996) and the Reserve Bank (Governor, Chris Stals, 1989 to 1999), at least for the entire first term of the democratic government. There has been indeed continuous retention of staff between the two institutions for up two decades.

This thesis has thus also uncovered that there is a small coterie of public officials who have been at the core of policy formulation for almost two decades enjoying some latitude between the two critical institutions, namely, the National Treasury and the South African Reserve Bank (SARB). Public officials have a holistic outlook and an institutional positioning which gives them an advantage in determining which public interests and conceptions influence their preferences (Nordlinger, *et al.*, 1988, p.882). The preferences of state bureaucrats are arguably unique, they possess a thoughtful and prudent self-image and take their role very seriously and this is supported by their strategic vantage point within government (Nordlinger, *et al.*, *ibid.*). Public officials accordingly pursue public policies without any formidable pressure from the public and interest groups and this is based on their distinctive concerns (King and Hansen, 1999). Policies become a sum total of the preservation of the current order, legitimacy and autonomy of the state, activities of individual government units, placating certain interest groups, as well as other forms of balancing such that eventually they appear to be serving the entire society (Nordlinger *et al.*, 1988). The convergence of these factors within a specific historical context and over a period of time produces a conditional form of state relative state autonomy. This is the type of conjunctural autonomy that birthed GEAR.

¹³⁴ The continuous impact of prominent policies and weight of institutions largely depend on the bureaucracy as an independent variable (Nordlinger *et al.*, 1988). The orientations and political manifestation of interest groups, social classes, ethnic fragments, and their specialisations, organisational form, internal processes, and norms and beliefs, are moulded by the frequent commands and actions of the bureaucracy (Nordlinger *et al.*, 1988, p.884).

7.3 Incrementalism and Policy Change

This thesis has established that the composite case study of GEAR, FBE and NFS under investigation herein does not mark a process of radical social and economic change. It is impractical to expect swift and radical change that can resolve different sorts of conflicts and contestations (Hayes, 2001).

The series of reforms that constitute policy goals, policy instruments and institutional arrangements undertaken after 1994 occurred within the prevailing monetarist paradigm particularly at macro-economic policy level. A much suitable explication of how policy propositions gradually evolve over long periods of time is provided by the lens of incrementalism (True, 2000). The types of changes that were introduced consequently constitute 'normal policy making' according to Hall (1993).

Regular and on-going decision-making within the policy process is incrementalist in its disposition and accordingly yields first and second order forms of change (Hall, *ibid.*). Additionally, these two orders of change and the formulation of new policies, such as GEAR, FBE, and NFS, strategically move gradually towards long-term change through incremental action (Hall, 1993). First and second order change arguably form strategic action because through marginal changes state bureaucrats are able to demonstrate responsiveness and visible action on the part of government (Hall, *ibid.*). Incrementalism typically illuminates constancy and not occurrences of unexpected change (Wilson, 2000).

Policy change signifies a reaction to previous policy rather than capitulating to contextual pressures arising from social and economic demands (Hall, 1993). In the same vein, distinctive path-dependent trajectories direct individual political economies based on macro social and economic structures, reciprocal components, and patterns of solid organisation (Pierson and Skocpol, 2002).

Public policies have been identified as constituting some of the principal institutions that direct and mould society today (Pierson and Skocpol, 2002). Based merely on their specific designs, policies are as critical as formal political institutions in determining the allocation of resources and strategic direction of politics (Esping-Andersen, 1990, cited in Pierson and Skocpol, 2002).

This thesis precisely confirms the incrementalist assertions that policy follows established paths. This is certainly visible at micro policy level as it will be discussed further in the forthcoming passages. Incrementalism is a ‘good old theory’ that can be brought to bear in the explication of different forms of minimal and gradual change even though traditionally it has been used for analysing public budgeting (Caamano-Alegre and Lago-Penas, 2011, p.7).

According to Andersen and Mortensen (2010, p.3), incrementalism is an approach that circumvents huge policy blunders as it prescribes a gradual movement away from the current order. Incremental change is cautious, informed by learning, provides peace of mind, risk averse, and employs tested manoeuvres (Andersen and Mortensen, *ibid.*). This thesis draws insights in policy analysis by foregrounding state autonomy and the role played by bureaucracy in policy change processes. In the incrementalist mode, change is established on the cohabitation of old and new policies through layering and drift (Parker and Parenta, 2008).

It is through the interaction of disparate processes over long periods of time that institutional choices become settled rather than via individual developments operating remotely (Pierson and Skocpol, 2002). This thesis has labelled South Africa’s type of state autonomy as ‘conjunctural’ as it arises from the convergence of numerous factors with the state bureaucracy placed at the centre of the processes of policy change at a particular point in history, this being the transition period and the negotiated settlement. Any significant change is thus expected to result from small incremental adjustments and policy outcomes tend to be concessions and or incoherent (Hayes, *op cit.*). The formulation of GEAR and the ideas behind the FBE and NFS policies as pro-poor interventions that form part of what has been called the ‘social wage’ in South Africa have become entrenched within the policy landscape without challenging previous policy paths and existing ideas. Incremental change, and not radical change, emanates from the side-by-side existence of old and new policy interventions whereby new ideas are simply layered over old courses (Parker and Parenta, 2008, p.610).

In its explication of the emergence of GEAR, FBE and NFS policies, this thesis utilises the concept of path-dependence to demonstrate that certain political alternatives that could have been explored at the critical juncture signified by transition became irreversibly forfeited (Pierson and Skocpol, 2002, p.6). The transition period in particular marks a critical juncture in South Africa's political development trajectory. These assertions of path-dependence are quite glaring particularly within the micro policy cases as incremental forms of policy change have certainly comprised of layering over previous policy and institutional arrangements due to compromises made during negotiations at transition.

Incrementalism is useful in explaining how change was characterised by minor policy adjustments of a first and second order after 1994. This type of incremental change clearly follows already set trajectories. As path-dependent configurations that have been set in motion and lined-up in a specific sequence, e.g. policy interventions introduced during transition and early in the democratic dispensation, become institutionalised, their displacement at a later stage proves difficult¹³⁵ (Pierson and Skocpol, 2002).

Policy-makers expect policy interventions to deliver precise results for the target beneficiaries, however in a real social context things unfold differently for new policy instruments such as FBE and NFS and there is disenchantment (Matinga and Annergan, 2013). These type of policy interventions are introduced into pre-existing political and socio-cultural configurations that are ever evolving and accordingly become embedded within the political economy where contestations ensue between the interventions and other contextual factors (Matinga and Annergan, *ibid.*).

Thus expectations of policy-makers and policy executors may not necessarily be met by the introduction of policy interventions such as NFS and FBE and their respective impacts such that their successes become contingent on the constraining and enabling structures within the environment (Matinga and Annergan, 2013).

¹³⁵ Path-dependence and sequencing further provide useful explanation for political inertia, change, or lack thereof further down a particular path of political development (Pierson and Skocpol, 2002, p.8).

It is in the latter context that path-dependence demonstrates that the introduction of new policy interventions is layered over previous commitments in terms of resource investment, however old policies continue producing results and it becomes increasingly costly to forge new paths and totally dispense with them (Pierson, 2000).

It has thus been established throughout this thesis that previous policies continuously mould the new standards that public officials broach from time to time (Hall, 1993). These policy legacies therefore make policy change path-dependent and only possible through incremental adjustments or policy layering that does not temper with earlier policy decisions. Moreover, it is now well-established that public officials deliberately engage incrementalist policy making processes and radical change hardly features in their agenda (Robinson, *et al.*, 2007). This has been indeed the case for the composite case study herein under investigation.

On one hand bureaucrats encourage nimbleness and permit government agencies on how to deal with change in their specific settings whilst they also remain uncompromising and diligently pursue incrementalist change (Robinson, *et al.*, op cit.). Accordingly, conjunctural state autonomy has allowed bureaucrats within individual departments such as Energy and Education to commission bespoke research that has informed the introduction of incremental change in the form of the FBE and NFS policies.

For the composite case study under investigation incremental policy change was facilitated by a number of factors that ensured that compromises became integral to the very founding of the democratic dispensation. Firstly, the period of transition was grounded on a series of negotiations that put realpolitik and compromise at the centre of the decision-making process. Again the dominant policy critique in South Africa has failed to acknowledge incremental policy change and the part played by micro policies in the political processes. As argued elsewhere, the transition into the post-apartheid dispensation has been, *inter alia*, labelled as a passive revolution (Satgar, 2008) as it entailed continuity and stability during and after the change of guard in April 1994. Incremental policy change has been an achievement achieved at both macro and micro levels of policy formulation as demonstrated through GEAR, NFS and FBE policies within this study.

This thesis underscores the cumulative nature of incremental policy change resulting in fundamental advances in the long term. Incremental policy changes of a first and second order are herein documented through this composite policy study.

7.4 Thematic Discussion

This section of the chapter examines themes that materialise from the data. As this section attempts to lift the themes from the data, it further provides a synthesis of data and literature. It is critical to note that the convergence and totality of themes as discussed in this segment of the chapter arguably serves to support the ‘conjunctural autonomy’ that is exercised via state bureaucracy. The exercise of conjunctural autonomy is particularly evident at micro policy level as demonstrated through the development of policy interventions such as FBE and NFS after 1994. In both micro policies state bureaucracy commissioned research that informed the introduction of the policy interventions in addition to already existing incremental changes introduced after 1994. Themes that have been extracted from the thesis demonstrate the synthesis of primary data and theoretical assertions.

It is also worth noting that there are overlaps as well as sub-themes that surface from the key refrains identified within this thesis. There are several discursive implications that could be drawn from these themes as they highlight major patterns within post-apartheid policy formulation. These implications pertain to the extent of as well as limitations to conjunctural state autonomy. Therefore the capacity of the state to exercise conjunctural autonomy and effect incremental change is contingent on certain distinctive policy field features and the actual historical trajectory of each micro policy.

7.4.1 Macro-Economic Policy Framework: The Growth, Employment and Redistribution (GEAR) Strategy (1996)

The GEAR policy was again introduced for the first time to parliament on 14 June 1996 (Hansard, 14 June 1996). This thesis argues that GEAR as a macro-economic policy falls within the realm of third order change (Hall, 1993). Third order change or paradigm shift is marked by a process of fundamental alteration in the principal positions of a policy discourse (Hall, *ibid.*).

This thesis argues that the introduction of GEAR in 1996 did not constitute third order change which is also known as a paradigm shift. A build-up of irregularities, testing of alternatives, and policy failures, ordinarily trigger competition between contesting frameworks of ideas and a transfer in the centre of power leading to a departure from one paradigm to another (Hall, 1993). Third order change is an uncommon occurrence and entails a radical shift from one macro-economic framework or paradigm to another.

The first theme that pertains to the introduction of GEAR is herein termed “Adherence to the prevailing paradigm”. This theme as it relates to macro-economic policy formulation; entails recurring attempts by the ANC government to ensure continuity and stability at macro-economic policy level, namely, fiscal, monetary, and exchange rate policies within the prevailing monetarist paradigm. Upholding the prevailing framework of ideas; i.e. monetarism or neoliberalism as it is commonly referred to across literature, has been expressed by informants in different ways. Paramount to the view that the new dispensation had to abide by the prescripts of the monetarist paradigm is that the application of its tenets of, inter alia, fiscal discipline, reducing budget deficit, trade liberalisation, inflation targeting, and privatisation, would ensure that government has greater latitude to act at the micro policy level.

One former Director General at National Treasury (September, 2014) for example asserted that given the circumstances that they encountered after 1994, it was bound to be almost impossible to bring about the targets of the Reconstruction and Development Programme (RDP) without fiscal prudence. “Macroeconomic stability is a necessary condition, it is not a sufficient condition, but it is a necessary condition, and otherwise there would be no RDP, in fact there probably would be an International Monetary Finance (IMF) programme (meaning dependence on IMF loans)” (Former Director General, National Treasury, September, 2014). In other words, without macro-economic stability, the implementation of policies such as the No Fee Schools and Free Basic Electricity at micro level would have either been exceedingly difficult or nearly impossible. “Fiscal stability created the space for government to enact micro policies” (Former Director General, National Treasury, September, 2014).

The transition period, 1990 to 1994, laid the foundation for most continuity at macro-economic policy level confirming the argument of this thesis that there was no third order change after 1994. In a discussion of the Ready to Govern document of the ANC (1992), an economist from the Presidency (March 2014) argued that “it is quite a strong orthodox economic statement actually, and I was surprised that some things got through without a lot of debate”.

The informant submitted further that; “It was fairly orthodox economics, it was not the most reactionary form of free market economics, but it was orthodox, middle of the road, economic policy for that era” (Economist, Presidency, March 2014). The centrality and significance of Ready to Govern (1992) as a precursor to GEAR (1996) is accentuated by several other informants.

Former Governor of the Reserve Bank (October, 2014) contends that “The party drew its major economic philosophy from the 1992 document, Ready to Govern (RTG). If you haven’t read RTG all these things are just noise, the real framework is in RTG. All along, even up to today try and see, what are people trying to do?, they are trying to follow programmes which are guided by RTG, that is a substantive document and influencing factor, these other things are just names, it was RTG”. On the question of continuity between the macro-economic policies of the National Party before 1994 and GEAR policy, the informant argued that “we just gave it a name, commitment to low inflation. Look at fiscal consolidation, GEAR just gave it a name, nothing has changed”.

The informant was however reluctant to put it explicitly that there was certainly continuity between the economic policies of the last apartheid regime and the new ANC led democratic government; “No, I’m saying when we got into government in 1994 as the ANC we were influenced by the RTG document. If the National Party was committed to low inflation, the ANC was committed to low inflation, it is not about continuity from the National Party or whatever, and it is just a pursuit of prudent policies”, (Former Reserve Bank Governor, October, 2014).

This theme of ensuring compliance with the dominant macro-economic paradigm has also been articulated by a former Minister of Finance (September, 2014) as he quoted an analogy made by a Harvard economist, Ricardo Hausmann, who also happens to have been part of the International Growth Advisory Panel (IGAP) that formulated the ASGISA policy in 2005. “He does a wonderful analogy, he says you know, when you think of economic policy, you think of an orchestra, in an orchestra you’ve got one small section that provides percussion, all that the percussion does is to provide the timing, but if you ever thought that you could listen to just cymbals, triangle and the drum, it won’t provide you with music, if you want the symphony of an orchestra, then you need strings, you need woodwind, you need brass, and all of it would be held together by percussion. What macro-economic policy is, it provides the percussion but micro policy, a myriad of sectoral policies and on-going engagement with structural policies, those are the policies that actually provide growth and employment in the economy” (Former Minister of Finance, *ibid.*).

The former Minister of Finance concludes by stating that “In many ways I think we have neglected the empirical work of tying up our macro and micro, so we kind of impale ourselves on debates around macro-economic framework that shouldn’t be there” (September, 2014). In other words the informant was arguing that there should be more attention paid towards micro policies as there is nothing wrong with the macro-economic policy framework as it stands. This sentiment is echoed by other informants at the Reserve Bank, for example one adviser to the Governor of the central bank (August, 2014) posited that “My personal point of view is that there is very little wrong with the macro-economic policy; the key problems are micro economic policy, around state capacity, around micro policies in transport, in housing, education, in infrastructure in competitiveness, etc. that is my perspective”.

As one Deputy Governor (who since November 2014 became the current Governor) contends on the formulation of the National Development Plan (NDP) (2012), there is indeed consensus amongst key informants that the focus should move away from macro-economic policy; “You will find that the NDP does not say much about macro-economics and I could understand why, it seems like the attitude was that there is nothing wrong with macro-economic policy, let us sort out the micro, the sectoral policies, the jobs don’t come

from macro policies, the jobs come from micro economic reform policies, it is taking the sectors and getting into each one of those sectors and say what is constraining this sector from growing and alleviating those constraints” (Deputy Governor, September, 2014).

It is quite evident from the data that there was a lot of continuity at macro-economic policy level and this had been set during the transition period. As one former Director General (September, 2014) at the Department of Trade and Industry reported, “some of the negotiations on trade policy such as the entrance into the World Trade Organisation (WTO) (which was the General Agreement on Trade and Tariffs [GATT] at the time) were conducted and concluded during the transition period, the process had started during the apartheid period and the ANC was not clear about its position but in the end a decision was taken as they could not avoid the pressure from outside around WTO. Therefore a lot of the policies that were adopted in 1994 were actually developed within some of these processes” (Former Director General, Trade and Industry, September, 2014).

The second major theme that emerges out of the data is herein termed “Institutional Positioning” and this relates to a series of institutional reforms that occurred across the post-apartheid state after 1994. It was indeed important for the new democratic dispensation to introduce a series of organisational adjustments in preparation for the imminent policy changes. As one Deputy Director General at the National Treasury (August, 2014) illuminated, for example, the new National Treasury was formed by bringing together the Finance and State Expenditure departments in a process that was completed in about 2000. A former Director General at the National Treasury (September, 2014) concurs that before 1994 there was one department, the Department of Finance, and Customs and Excise and Revenue Services and then there was the Department of State Expenditure, the new government changed the entire system, it built up fiscal capacity, revenue collection capacity, government changed the way it did borrowing, reduced wastage and interests just by building up mechanisms for borrowing more efficiently. These institutional reforms were also implemented at operational and administrative level within the new National Treasury when the innovative integrated government three year budget premised on the Medium Term Expenditure Framework (MTEF) was inaugurated in 1998 resulting in full transition on programme expenditure (Deputy Director General, August, 2014).

Indeed 1998 was the first year in which the division of revenue framework as required by the constitution was implemented. Before this critical moment, the new government had been budgeting on a one year basis, which was the old budgeting system, and accordingly with effect from 1998 when the new budget was published, three year numbers were published (Deputy Director General, National Treasury, August 2014).

There was dramatic and enormous institutional change that had to be managed financially and from a budgeting point of view, merging the 14 education and health departments from the Bantustans and the homeland administrations and the provincial administrations into new consolidated provinces as well as transitional municipalities (Deputy Director General, National Treasury, August 2014). The process of reforms was quite protracted and it took several years, for example, to put the municipal financing arrangements in place, but with effect from 1998 there was a formal Division of Revenue Act (DORA), not just a budget, but an Appropriation Act. The DORA gives statutory authority to the transfers that go to provinces and municipalities and distinguishes between the equitable shares that go to provinces, i.e. the unconditional allocations that finance education, health services, and the conditional grants that are managed by individual departments (Deputy Director General, National Treasury, August, 2014).

The third theme that is identified from the data pertains to ‘bureaucratic stability and retention’. As one Deputy Governor of the Reserve Bank (September, 2014) argued, coordinating macro-economic policy is not difficult, there are only two institutions that can be assembled into a single room and policy can be formulated and managed. “Macro-economic policy is only three things; it is the fiscal policy, fiscal policy is revenue, expenditure and borrowing, that’s it. Then, it is monetary policy, which has to do with keeping inflation under check. And thirdly, it is the exchange rate policy, exchange rate policy and monetary policy are with the Reserve Bank, and fiscal policy is with the Treasury” (Deputy Governor, SARB, September 2014). There is clearly an integrated ‘institutional memory’ that exists between the National Treasury and the Reserve Bank.

The aforementioned Deputy Governor of the Reserve Bank also happens to be a British trained development economist and former Director General of the National Treasury (September, 2014), as from November 2014 he became the current Governor of the Reserve Bank.

It is also notable that a sub-theme springs out of bureaucratic stability and retention and that is 'professional bureaucracy'. Between the two organisations, the National Treasury and the Reserve Bank, there are a sizable number of professional economists and academics. As already indicated, it merged from the interview with one Deputy Governor of the central bank that he was a trained economist who attended the University of London (September, 2014). Another former Governor of the bank received his training in economics at the University of East Anglia, United Kingdom (October, 2014). A Deputy Director General (August, 2014) revealed that he had been trained as an economist and had a background of lecturing at Rhodes University, South Africa. An advisor to the Governor of the Reserve Bank (September, 2014) reported that he had been a full professor of economics at the University of Cape Town, whilst another advisor held a Master of Business Administration (MBA) from the University of Birmingham, United Kingdom (July, 2014). The pattern of academically trained professionals was observed across most of the informants interviewed at the Presidency where at least three economists, including one full professor, were interviewed. This sub-theme of a professional bureaucracy also appears amongst informants on the NFS (educationists) as well as the FBE (engineers, professors of engineering) policies which are discussed further below.

7.4.2 Micro Policy Case Study 1: Free Basic Electricity (FBE) (2003)

As already presented, on 04 July 2003 the Department of Minerals and Energy (DME) announced the introduction of the Free Basic Electricity (FBE) Services policy in the Government Gazette (RSA, 2003). This thesis argues that the FBE is a micro type of public policy that falls within the realm of first and second order change. Incremental change is introduced in line with the prevailing set of ideas at macro-economic level. Once again the overarching policy goals remain consistent in the instance of first order change which essentially entails the alteration of the settings within an active policy instrument whilst on the other hand second order change refers to the replacement of the policy instrument itself with another (Hall, 1993).

A paradigmatic shift or third order change does not as a matter of course result from the implementation of first and second order changes in the policy process (Hall, *ibid.*).

This assertion is more pertinent and relevant to a micro public policy such as FBE. FBE is arguably subject to the broader governing rules and goals of the overarching macro-economic policy such as GEAR. Again a paradigm shift is unlikely to be triggered by regular policy making processes which may continue for long periods of time (Hall, *op cit.*). This thesis further argues that within the realm of micro policies the notion of a paradigm or better yet a 'paradigm shift,' is not appropriate for explaining change at the level of the FBE and NFS policies. This thesis further argues the concept of a paradigm should be used sparingly and stringently as its facile usage might obscure explanation of change in the policy process. In the preservation and shifting of policies, the concept of a paradigm has a more strategic function of explicating movements of a large scale specifically in the realm of grand frameworks of ideas such as at macro-economic policy level (Wilson, 2000). As an example the departure from Keynesian ideas to neoliberalism thus constituted a paradigm shift with very far reaching consequences (Hall, 1993). Goals at macro-economic level are arguably premised on the prevailing framework of ideas whilst those at micro policy level are more informed by pragmatism or feasibility in their implementation. Nonetheless, it remains reasonable to point out that even for a micro policy such as FBE overall goals that guide the policy processes and the incremental changes indeed do exist.

However, the hierarchy of goals behind a policy such as FBE, i.e. access to electricity remain constant and are highly unlikely to change. In other words a micro policy goal such as 'meeting basic needs' or 'universal access' is arguably constant and forms a subcategory of a larger framework of ideas such as monetarism.

Consequently, whilst the idea of access to electricity might be maintained over many years, the predominant paradigm can always dictate how the policy should be implemented e.g. first and second order changes might be instituted to remove the government subsidy for free basic electricity and make access subject to payment either by households or any other practical means.

Such incremental changes would occur based on the view that policy action is predicated on a mutually agreed framework of ideas or discourse that is credible to all actors concerned (Anderson, cited in Hall, 1993). FBE originates from the overall policy goal of ‘access to energy’ as articulated in the Ready to Govern document (1992) as well as in the RDP document (1994) (ANC, 1992; 1994).

First to arise from the historical context and development of the FBE policy is the theme ‘path-dependent incrementalism’. Within this theme path-dependence refers to the historical course set by the institutional arrangements of the electricity supply system in South Africa, while incrementalism denotes policy change that has been effected in the form of ‘layering’ over the years. Thus the historical institutional arrangements further refer to the monopoly of Eskom over the electricity supply industry as a whole.

This path-dependent incrementalism implies that for much of South Africa’s history the state has presided and exercised control over a unified electricity system. The incorporation of various private electricity producers, including the Victoria Falls Power Company (VFPC), into Eskom by 1948 cemented state monopoly and further set the trajectory for future incremental change and policy-layering (Parker and Parenta, 2008; Gentle, 2009). This policy-layering was initially evidenced in the expansion of the electrification programme to farms and households which culminated in the introduction of the ‘Electricity for All’ programme in 1987 and well into the democratic period resulting in inclusion into the grid system of previously excluded black communities (Greenberg, 2009).

The introduction of FBE in 2003 constituted incremental change of a second order, introduction of a new policy instrument. Path-dependent incrementalism as a theme illustrates how conjunctural state autonomy as it appeared after 1994 was bolstered by historical events within the electricity supply industry. Path-dependent incrementalism reflects a number of critically timed and sequenced events through history; including Eskom becoming a monopoly after 1948 (Gentle, 2009); the elimination of private power producers through incorporation; Eskom surviving privatisation efforts before and after 1994 (several state owned enterprises were either fully or partially privatised before after 1994);

and arguably removing potential powerful interests that could have challenged conjunctural state autonomy during the democratic dispensation.

State monopoly has ensured that there is hardly opposition to the introduction of policy changes within the electricity industry as Eskom dominates the sector. The state has enjoyed great latitude to introduce policies such as, inter alia, the expansion of the electrification programme as well as FBE, thus confirming its conjunctural autonomy.

The introduction of incremental change has been quite effective as FBE policy is today a critical feature of free basic services at municipal level. Conjunctural autonomy of the state has guaranteed the state a space to act with less opposition, politicisation and racialization of the policy. FBE has become an addition in incremental policy within a unified electricity supply system that begun from separate development with various power producers to a state monopoly with Eskom at the centre and municipalities as policy implementation agents. The combination and sequencing of the electrification programme with the FBE policy have indeed demonstrated the high levels of success the state can enjoy when it can fully exercise its conjunctural autonomy.

7.4.3 Micro Policy Case Study 2: The No Fee School (NFS) Policy (2006)

On 23 August 2006 the Department of Education issued a notice (The amended National Norms and Standards for School Funding) in terms of section 39(7) of the South African Schools Act (SASA), 1996 (Act No. 84 of 1996), determining that 40% of public-schools nationally were to be identified as qualifying not to charge school fees (DOE, 2006a). The introduction of the No Fee Schools policy in 2006 constituted first order of change, an adjustment on the levels of an existing policy, the Schools Act of 1996. The amendment to the Schools Act was therefore a form of incremental change and policy-layering (Hall, 1993; Parker and Parenta, 2008).

This micro-policy case study is another example of incrementalism at work. Indeed the hierarchy of goals, “access to education” stayed unaltered whilst this new NFS policy instrument was introduced as a new technique to attain the overarching objectives (Hall, 1993).

Again access to education as expressed in various policy statements has been informed by the same principle that originated from historical documents such as the Freedom Charter (1955) (ANC, 1993). Subsequent ANC documents such as the 'Policy Framework for Education and Training' (ANC, 1994), popularly known as the 'Yellow Book', argued that education policy was fused with apartheid ideology, disjointed, and largely racialized. Additionally, the Yellow Book captured the main goals of ANC education policy and aimed at engendering access to equal and quality education and training policies once democracy was attained (ANC, 1994).

It is worth recalling that the emergence of the No Fee Schools policy after 1994 was spurred by at least three key factors; firstly, in its attempts to develop a policy for a single education system, the ANC was faced with a challenge of modalities towards maximising private contributions into the public system so that people who have the ability to contribute were able to do so while those with limited means were not excluded (Mothata, 2000; Fiske and Ladd, 2003). Secondly, and perhaps most importantly, in its last four years of existence, the apartheid state instituted fundamental reforms, 'the Clase announcements' (1990-1993), in the public education system (Carrim and Soudien, 1999).

What these pre-democracy reforms did was essentially to facilitate the free transfer of state resources from the public education system to white communities particularly in the case of the Model A schools that opted to become private but also across all Model C schools. This move essentially meant that ownership of schools was transferred from government to communities operating under a school governing body (SGB) with far-reaching decision-making powers such as setting school fees, in the case of white communities in particular, advanced state assets were given to communities (Politician, August 2014). Moreover, about 96% of white schools accepted the Model C framework where school governing bodies (SGBs) not only had a lot of control at the local school level of the education of their children but also owned the schools (Pampallis, 2003). Thirdly, the decision to allow all schools to charge school fees precipitated unprecedented adverse effects whereby even the poorest schools which had not previously charged fees summarily implemented the decision.

The decision to allow all schools to charge fees did not only have devastating outcomes for poor communities, it was regressive and contradictory to calls for a free and compulsory education as demanded during the struggle for liberation. The then new democratic government subsequently issued two white papers on education reform which included the issue of school funding and governance this was further stipulated in the South African Schools Act of 1996 (SASA). The promulgation of the Schools Act as a new policy measure constituted change of a second order (Hall, 1993). The most critical developments in the legislation included the confirmation of charging school fees across the system and the devolution of considerable authority and powers to School Governing Bodies, i.e. parents and communities.

The introduction of the Schools Act also served as a form of incremental change and policy-layering as it did not temper with some of the existing policy positions that pertained to the devolution of powers to SGBs as well as the broader stipulation that allowed all schools to charge fees. There was a refrain that the affluent social classes would bring resources into the public system instead of migrating with their money to private schools (Academic, August 2014). The new Schools Act maintained the reforms that had been introduced between 1990 and 1993 with the aim of not alienating affluent white communities and retaining private sources of funding within the public education system. The introduction of a forked schooling system marked by decentralisation of power was a compromise option emanating out of the democracy negotiations hence the establishment of a three tier system of national, provincial and community level administration (Sayed and Soudien, 2005).

The result was indeed that due to the negotiated settlement education policy happened to be one of those sites where continuities and contradictions from the past were carried over into the democratic dispensation. One of the first amendments to the Schools Act occurred in 1997. This was the first of several incremental changes to be introduced to the policy. The amendment made provision for public schools to appoint 'educators' as well as 'non-educator' staff in addition to those employed and paid for by the state. It was change of a first order and thus a form of incremental change (Hall, 1993). In 1998 the Department of Education issued the National Norms and Standards for School Funding (NNSSF) (DOE, 1998).

The regulation was an attempt to establish funding procedures for the provision of state funding for private schools and the indemnity of poor parents from the charging of school fees (DOE, *ibid*). This also constituted a first order change; there was an adjustment to the existing Schools Act via a policy regulation. This alteration also constituted policy layering as it did not disturb the existing policy arrangements such as governance powers bestowed upon SGBs to set school fees. The deleterious effect of school fees on the poor reflected a serious policy challenge.

Around 2003 government commissioned a research study titled ‘The Resourcing and Funding of Schools in South Africa’, and this led to the minister adopting an action plan towards free education, and that’s where the concept of No Fees Schools originated (Deputy Director General, Department of Education, September, 2014). The introduction of the NFS policy is herein viewed through the same lens of incrementalism as the other micro policy case study of FBE. The hierarchy of goals from the perspective of the macro-economic policy as well as the prevailing framework of ideas remain the same. Each of the micro policies has its own set of goals that are of a pragmatic nature.

The prevailing macro-economic policy framework however dictates the manner in which micro policy goals are conceived and fulfilled by indirectly prescribing measures that are not in conflict with its ideological premise as well as the paradigm in force. Within this second micro policy area, the same theme of ‘path-dependent incrementalism’ is accordingly applied. Again within this theme path-dependence refers to the historical course set by the institutional arrangements of the education system in South Africa, while incrementalism denotes policy change that has been effected gradually via layering over the years resulting in the proclamation of the NFS policy in 2006. As already revealed through the empirical chapters, in the case study of the NFS historical institutional arrangements within the field of education proved to be complex and this specifically relates to the highly racialized, unequal and divided education system as inherited from the apartheid period. The transition period- 1990-1994 saw the apartheid Department of Education and Culture installing eleventh hour reforms that brought about devolution of governance powers to affluent schools and communities.

Thus in 1994 the new ANC government was faced with the duty of founding a unified schooling system out of 14 separate education departments from the Bantustans and four provinces of the republic (Deputy Director General, National Treasury, August, 2014). The devolution of powers to communities as well as the introduction of school fees were legislated and institutionalised through the South African Schools Act of 1996. This thesis exposes that within the highly politicised public education system the state had less room to manoeuvre and exercise its conjunctural autonomy as compared to the FBE policy space.

Here path-dependence indicates that there were powerful interests such as white communities that could challenge the state from deviating from the historical course set by earlier policy decisions as taken during the transition period in particular. Instead of exercising its conjunctural autonomy more pointedly, the state was compelled to retreat and introduce calculated and arguably benign forms of policy layering that would not provoke opposing sentiments from white communities in particular.

The successive second order forms of incremental policy change such as the application for exemption on school fees as well as the NFS policy itself ensured that there was continuity and stability within the system. Within this micro policy there were severe constraints in effecting incremental change and conjunctural state autonomy proved to be limited. The affluent white communities were thus placated and subsequently able to continue owning public schools whilst also retaining decision making powers. The result has been an inadvertent two tier public education system where the rich continue to access high quality education through well-resourced schools while the poor still attend under-resourced schools where communities can barely raise additional funds.

It has been proven through this case study that where the state has no monopoly of decision-making as in the education system, society has options to access education through private or independent schools.

Additionally, the education system remains highly politicised and racialized with several powerful interest groups who include not only trade unions but also associations of schools governing bodies, communities as well as parents¹³⁶.

Here conjunctural state autonomy is saliently limited. Nevertheless, the NFS policy has been marred with contradictions, most reports laud the policy as a success whilst simultaneously note with concern the failure to improve the quality of education within these fee-free schools.

7.5 Conclusion

This thesis has relied on the historical institutionalist approach to combine neo-Marxist formulations of state autonomy, state-centred approaches in its attempts to explicate the exercise of conjunctural state autonomy to effect incremental policy change. A perfect storm of factors has resulted in a conjunctural autonomy that spurs state action. Through the maintenance of macro-economic stability the state has exercised its conjunctural autonomy to create space to implement incremental policy change at micro policy level. However, the exercise of conjunctural autonomy within the post-apartheid state has limitations; it is able to effect incremental policy change of a first and second order, especially at micro policy level, whilst it steers clear of tempering with the prevailing monetarist paradigm.

Opposition to GEAR failed to prevent the state from adopting the policy and introducing the concomitant policy reforms. Regardless of the conflicting choices amongst societal actors, state bureaucracy is able to autonomously pursue their preferred policy goals and this feat points to the level of independence that that the state enjoys (Nordlinger *et al.*, 1988).

¹³⁶ The state clearly became less aggressive in its pursuit of its policy objectives for the fear of driving affluent learners away from the public schooling system. It has been argued that 'strategic retreat' amongst policy proponents is a probable expression of political learning according to Aaron Wildavsky (1979) as the advocates abandon their initial policy objectives (May, 1992, p.339). This is an admission and realisation that further pursuit of particular policy goals might be very costly or will come at a price hence the backing down on the part of policy advocates (May, 1992, *ibid.*).

Further attempts have been made in creating punctuated change through subsequent policy instruments such as ASGISA (2006), NGP (2009) as well as the NDP (2012) however the monetarist paradigm remains intact. The post-apartheid state has also been able to effect incremental policy change at micro policy level through the introduction of policy instruments such as FBE and NFS following challenges such as failure to grow the economy and create jobs.

The ever changing societal views can be summarily defused and split by a cohesive state which takes advantage of its access to resources to further its interests in a coherent and credible manner (Nordlinger *et al.*, 1988). There have been consistent attacks on the outlook and policy decisions of the post-apartheid government which are labelled as neoliberal in their disposition. Since the advent of GEAR in 1996 the critics and detractors of the state have not been able to proffer any formidable policy alternatives instead they have turned on one another marred by infighting and ephemeral and fluid goals. Informed by the historical legacy of apartheid which resulted in poverty, inequality and unemployment, the post-apartheid government has demonstrated capacity to exercise its conjunctural autonomy to successfully champion pro-poor policies. With the legacy of apartheid being an undisputed historical fact, the post-apartheid state has been legitimised and thus received no resistance from opposition parties in its pursuit of pro-poor policies. The post-apartheid state has accordingly consolidated its autonomy-enhancing qualities and capitalised on its popular support which at some point granted it a two-thirds majority in parliament thus guaranteeing the execution of its conjunctural state autonomy (Nordlinger *et al.*, 1988).

The diffusion of political indifference, the nurturing of deferential and submissive norms and beliefs, as well as the convergence of societal preferences with those of state bureaucracy are all marshalled by public officials to their own advantage (Nordlinger *et al.*, 1988, p.883). Public officials have to a large extent enjoyed unhindered latitude to explore innovatively with incremental policy adjustments away from the scrutiny and meddling of their detractors. In the exercise of conjunctural autonomy the state bureaucracy has been quite instrumental in driving incremental policy change.

From GEAR to the micro policies of FBE and NFS there have been small teams at the forefront of policy formulation. The team responsible for macro-economic policy has been located between the two critical institutions of the National Treasury and the Reserve Bank for close to two decades. At micro policy level, policies such as FBE have also been spearheaded by task teams which have conducted research with academics to inform the formulation of the policy. Internal teams within the education sector have also worked closely commissioning research that has resulted in policies such as the NFS.

The powers of the post-apartheid state have indeed been circumscribed by limitations to its conjunctural autonomy at least at two levels. Firstly, at micro policy level this thesis has revealed that incremental policy change is heavily determined by path-dependent historical choices which have a bearing over what is possible or impossible to introduce at later stages of policy development. Secondly, the global economic system through the prevailing economic policy paradigm imposes limitations to conjunctural state autonomy at macro-economic policy level. The post-apartheid ANC government managed to acquire state power and implement a transformation project to the largest extent despite glaring limitations (Marais, 2011). Achieving unrestrained autonomy and national sovereignty were the ideals assumed by the ANC as a liberation movement before it was confronted by the realities of governance after 1994 (Marais, *ibid.*).

It has been established that most liberation organisations envisage a scenario of endless autonomy once they achieve independence but this reverie is soon frustrated by the actualities of being incorporated into the world system which sets its own restrictive terms for the ambitious burgeoning governments. Wallerstein (1996, cited in Marais, 2011, p.111) contends contrary to popular assumptions about sovereign states; the framework imposed by global capitalism comes with rigid rules and politics that restrict all states regardless of their status from exercising the full potential of their autonomy. This chapter has ventured to integrate the literature review with the primary data through a theoretical and thematic discussion. The synthesis of the major theoretical assertions on state autonomy, incremental policy change and primary data has resulted in a conclusion that the post-apartheid state has enjoyed its own peculiar brand of autonomy, i.e. conjunctural autonomy.

Inspired by the historical-institutionalist tradition in political science, this chapter departed by attempting to find a middle ground and complementary features between neo-Marxist formulations of relative state autonomy and state-centred articulations of state autonomy and capacities especially their limitations and constraints resulting in the coinage 'conjunctural autonomy'.

Whilst the state has been able to implement incremental policy change, these forms of first and second order change are invariably compelled to abide by the monetarist paradigm. Nevertheless, tangible incremental change has been introduced through the consolidation of policy instruments to form GEAR policy whilst at micro policy level marginal change has resulted in new policy instruments such as FBE and NFS. The post-apartheid bureaucracy has been at the helm of policy reforms enjoying the conditions created by the conjunctural autonomy attained via transition and the democratic dispensation.

Chapter 8 Conclusion: Change and Stability in South African Public Policy after Apartheid?

This final chapter provides a closing argument to the entire thesis as well as a reflection on the main theoretical assertions on state autonomy and incremental policy change. As this chapter takes stock of all the milestones of the thesis, it spells out the trajectory undertaken from the first chapter as it introduced the thesis and provided the background to the problem on South African public policy, as well as on the succeeding chapters on literature review, the composite case study and lastly the discussion chapter.

8.1 State Autonomy: Concluding Theoretical Reflections

The wide-ranging manner in which governance is exercised in progressive liberal democracies is not adequately captured and articulated by the terminology that dichotomises the political world into binaries such as, *inter alia*, autonomy and sovereignty, private and public, and state and civil society (Rose and Miller, 1992, p.174). Consequently the middle-of-the-road definition of autonomous state action has to arguably appreciate the complexity of modern societies by striking a balance between the two conceptions of state autonomy, namely the society-centred neo-Marxist relative state autonomy and the state-centred approaches on limitations of state autonomy whilst also considering the context within which state action occurs. It is against this backdrop that this thesis analyses the autonomy of the post-apartheid state to execute action and effect policy change via the conception of conjunctural state autonomy.

The state-centred approach as propounded by Marxist thinkers is just one of the perspectives on state autonomy. The middle-ground that this thesis advocates is imperative since on one hand statist claims can be categorical in their assertions which at times portray states as either totally autonomous from society or partially so, and that does not provide a cogent picture of state autonomy (Mitchell, 1991, p.77). The stresses and anxieties of the lower classes, the direct and indirect pressures of the ruling elites, as well as the location of the state within the class structure, together constrain the state, and it is these relations that define the state autonomy from a Marxist perspective (Hamilton, 1981, p.307).

Poulantzas imagined relative state autonomy as particular and integral to the capitalist state departing from classical Marxism which bound state autonomy generally to class relations regardless of state form (Ianoni, 2013). Even at the age of industrial capitalism neo-Marxists never perceived state autonomy as fully existing and thus refused to acknowledge it in-and-of-itself (Skocpol, 1985). Unlike statist commentators, this thesis attempts to isolate the type of state autonomy that exists in South Africa accordingly granting the state the capacity of formulating policies. This thesis therefore highlights the possibility of autonomous state action within the post-apartheid dispensation albeit constrained by the democratic order and other contextual factors. As argued by Baert and da Silva (2002), historical institutionalists take context seriously hence the conception of conjunctural state autonomy has accentuated the configuration of the historical context, policy legacies, temporal sequences, the framework of ideas, as well as the role of a professional bureaucracy within the post-apartheid state.

This thesis has proposed the conception of conjunctural state autonomy in light of the limitations of both the state-centred and society-centred explanations of state autonomy. The relative autonomy of the state was not perceived as contingent to the contextual conditions according to neo-Marxists, it was rather an integral feature of the capitalist state (Ianoni, 2013). This thesis disagrees with the latter viewpoint of statist scholars. For the state-centred scholars, as a rule the state was a theatre for political class contestations, a patron for amassing wealth and buttressing capital relations, and an instrument of the dominant classes (Skocpol, 1985). The class reductionist viewpoint has been maintained by neo-Marxist scholars, who have theoretically claimed that under the capitalist mode of production societal relations function to sustain and grow the capitalist system (Skocpol, *ibid.*).

This thesis challenges the notion that the autonomy of the state is determined by class relations that are attached to the structure and superstructure as argued from a Marxist theory (Ianoni, 2013). Unlike the neo-Marxist authoritative definition which rules out all other possible forms of state autonomy, this thesis has conceived conjunctural state autonomy as a germane type of autonomy to add to the typology of this subject (Skocpol, *ibid.*).

This thesis acknowledges that the manner in which individual states or state actors are structured is important for political arrangement, thus unlike other entities, states are intricate edifices with political supremacy and duties, and this was fundamentally ignored by state-centred scholars (Amenta, 2005, p.98). This thesis appreciates the complexity of state autonomy within modern democratic settings and contends that conjunctural state autonomy best captures the type of autonomy enjoyed by the post-apartheid state. The bigger context characterised by the post-apartheid state's reintegration into the international community and neoliberal economic order, the negotiated settlement, as well as the continuities and discontinuities brought by a professional bureaucracy, all converged to fortify the complexity of the type of relative state autonomy engendered in democratic South Africa.

With the vulgar conception of state autonomy as propounded by Marxist thought in mind, the question for this thesis has then been how useful is the formulation of relative state autonomy for explicating state action within the post-apartheid state? Statist arguments would clearly dismiss the achievements of incremental policy change as outlined in this thesis as not a direct result of the exercise of conjunctural state autonomy. Instead, it would be contended from a functionalist neo-Marxist perspective that welfarist policy interventions do not signify the benevolence of the state towards the needy but rather schemes for the legitimation and maintenance of the dominance of the ruling classes within a capitalist state (Korpi, 1989). This thesis agrees fervently that the expansion of the pro-poor policy regime as exhibited through micro policies such as FBE and NFS, is indeed a function of the exercise of conjunctural state autonomy. This thesis does not however dispute neo-Marxists' assertions that the state utilises its autonomy to be a cohesive factor and mediates between different class contradictions as it is the key political structure in society, but there is a broader function of state autonomy than merely enforcing the dominance of the elites (Skocpol, 1985; Hay, 1999; Ianoni, 2013). The cohesive role of the state as the regulator of the general balance in a capitalist society across complex social levels is a no brainer (Ianoni, 2013). The inexorability of the relative autonomy formulation therefore calls for exploration of additional explanations of the 'relativeness' of state autonomy or some 'middle-ground' at defining the type of 'relative' state autonomy exercised by the bureaucracy within the post-apartheid state as well as consideration of contextual factors.

Conjunctural state autonomy therefore is herein advanced as a well-poised conception to explain the distinctive type of state autonomy that has emerged within the South African context to bring about a different understanding of state autonomy.

8.2 Incremental Policy Change: Concluding Theoretical Reflections

Most critique of South African public policy has indeed not appreciated enduring historical processes and incremental policy change generally arguing in favour of radical social and economic transformation and demanding non-incremental change. Moreover, dominant analysis has failed to reflect on the macro structures such as the prevailing monetarist paradigm, a professional bureaucracy as well as the historical context that continue patterning and constraining political behaviour towards incremental change rather than fundamental transformation. Current mainstream South African political analysis and literature is thus inclined to concentrate on events, outcomes, and causal processes that develop briskly whilst neglecting the persistent macro-level determinants (Pierson and Skocpol, 2002).

Major political developments tend to unfold slowly over time and their culmination is usually delayed and some of these phenomena are inherently incremental as processes and in their outcomes¹³⁷ (Pierson and Skocpol, 2002). A lot of energy is devoted to the analysis rapid micro-politics instead of long term and large scale processes that are incremental. As this thesis reveals, the dominant monetarist paradigm represents a macro-level determinant that has been in place for a few decades without being displaced whilst micro political events morph every day. Even the focus on events that prominently features as a staple for political analysis in the post-apartheid era today has arguably been decided by the superior macro historical structures such as the prevailing paradigm that are difficult to dislocate. As a matter of course post-apartheid public policy from the macro-economic policy GEAR downwards has been perceived as formulated based on the neoliberal paradigm.

¹³⁷ At times major change is only realised following a slow accumulative process, accordingly continuous social processes may appear unimportant until they amount into a critical mass (Pierson and Skocpol, 2002). Probabilistic transformation may also arise from long periods of slow moving processes and it may take time before change is appreciated (Pierson and Skocpol, *ibid.*).

In order to comprehend the solidity of an explanatory framework that controls a policy domain one has to be acquainted with the language of paradigms (Henriksen, 2013, p.491). A lucid discernment of ideas and discourses that emanate from incremental change in models that influence fundamental policy shifts over time is actually critical in addition to comprehending paradigm approaches (Henriksen, *ibid.*).

Most public policy critique in South Africa has consequently relied predominantly on paradigmatic approaches labelling policy as premised on the neoliberal framework without paying critical attention to incremental policy change, particularly at micro policy level, and how it connects with the larger framework of ideas. It is indeed insufficient to begin and end the argument with stating that all policy has occurred within the neoliberal framework without reflecting on how incremental policy change has transpired as well as on how alternative paradigms customarily emerge based on new ideas to replace the framework that is in force.

Besides being prescriptive to public officials in terms of imposing policy legacies as a basis for decision-making, incrementalism actually describes how the policy processes occurs (Hayes, 2001). Incrementalism is the premium form of policy formulation hence it is ubiquitous (Hayes, 2001, p.5). In particular, the primary alternative to incrementalism: comprehensive, rational decision making, or even the revolution that is often demanded by most critics of South African public policy, is unfeasible in most instances because of struggles over priorities or the existing knowledge base¹³⁸ (Hayes, 2001). For example commentators such as Marais (2011) and Habib (2013), have for different reasons, mooted the option of returning to Keynesian ideas without however indicating how this undertaking should be conducted as the prevailing neoliberal paradigm has not been totally discredited in favour of an alternative.

The issue of paradigm shift is therefore compounded by the fact that the monetarist framework of ideas has neither been totally delegitimised locally nor globally.

¹³⁸ Only restricted policy alternatives can be contemplated due to the limitations brought to bear by the available knowledge (Knaggard, 2014, p.23).

There is currently no consensus amongst theorists that it is time to abandon monetarism despite the 2008 global recession. Only a paradigmatic shift or acceptance of an alternative philosophy can precipitate sudden change otherwise incremental policy change remains the rule (Saint-Germain and Calamia, 1996, p.62). On the other hand only a tested and precisely achievable policy option stands a chance of being implemented instantly which would result in a policy shift (Saint-Germain and Calamia, *ibid.*).

When GEAR was introduced in 1996 there was no viable alternative waiting to replace the monetarist paradigm hence there was no option of exploring implementation of a counter-paradigm to effect change. The introduction of GEAR thus did not mean a departure from the prevailing macro-economic paradigm but rather only policy alterations of a first and second order. Whilst the transition and introduction of GEAR was based on a negotiated settlement and compromise, the new democratic dispensation was committed to a series of continuities and maintaining stability.

The new government vehemently asserted that GEAR was not subject to negotiation resulting in the indignation of most interest groups not least COSATU. The compromise was also multifaceted, as one informant (Deputy Governor, Reserve Bank, September, 2014) argued, GEAR managed to achieve macro-economic stability but failed at accelerating economic growth (6% per annum for a period of five years) and employment creation (400 000 jobs within the same period of five years) as it had been envisaged.

Thus at micro policy level the failures to create employment and stimulate small businesses and enterprises resulted in lack of new employment opportunities. Endeavours such as access to electricity indirectly bore the brunt of missed economic targets, government had earlier embarked on a rapid expansion of the electrification programme targeting households in disadvantaged communities, and owing to high levels of joblessness and impoverishment most families could not meet the expenses for electricity leading cut-offs from the grid. Accordingly government had to react swiftly and make certain compromises and key to this was the introduction of free basic services policy in 2000. Following the research ordered by the Department of Minerals and Energy in 2001, the findings of the study led to the formulation of the FBE policy which was promulgated in 2003.

On the NFS policy case study the compromises also had, to some extent, similar origins as in the FBE case study. Beginning with the transition period, a series of compromises were made at policy level culminating the South African Schools Act of 1996. As already discussed, the Schools Act endowed communities with substantial governance and decision making powers through the SGBs. All public schools were allowed to charge fees including well-resourced formerly whites-only schools. This new policy development of allowing public schools to charge fees resulted in, inter alia, education becoming expensive and out of reach for most poor communities. The compromises were indeed multifaceted and staggered, in 1998 the new National Norms and Standards accommodated fee-exemption for the poor where the latter resided within certain communities or lived in proximity to fee-charging public schools (DOE, 1998). The compromises also resulted in unintended consequences as all public schools were allowed to charge fees, including those that had charged close to nothing in terms of fees, with deleterious consequences for poor communities.

Following the research commissioned by the Department of Education around 2003 it became evident that most poor communities could not afford to pay school fees. The challenges faced by poor households could again be attributed to failures in other micro-economic policies to grow the economy and create employment. Contrary to targets set in GEAR, the economy was unable to create sufficient employment to extricate the poor out of poverty and inequality. The move towards fee-free schools as informed by research indeed culminated in the No Fee Schools policy in 2006. Path-dependence, incrementalism, and change of course typically characterise the progression of a policy as a relatively circumscribed process (Hay, 1998, cited in John, 2003). Incremental change is circumscribed in this context due to the fact that both FBE and NFS were introduced as corrective measures aimed at addressing larger macro-economic challenges which are arguably beyond the direct scope of these micro policies, namely, attending to outcomes of poverty and unemployment.

Invariably incremental change tends to be the instant and practical choice for policy makers as and when new problems appear but there are instances whereby gradual adjustments prove insufficient and fail to address substantial policy conundrums and that is indeed the

limitation of micro policies when they are deployed to address macro structural problems (Mintrom and Norman, 2009).

The introduction of micro policies such as the FBE and NFS is a demonstration of incremental policy change as a measure of attending to new socio-economic developments via layering of new policy reasoning atop aged policy options that have stagnated and become ineffective (Parker and Parenta, 2008, p.612). In instances of unalterable old policy options, layering of new interventions becomes the logical choice as it proffers reforms in a manner that circumvents confrontation with old policy logics but allows coexistence of the old with the new (Parker and Parenta, *ibid.*). The two features of the policy infrastructure which became unmovable are in this instance firstly, the prior introduction of the electrification programme which failed to generate its own revenue due to high levels of destitution and redundancy in communities, and secondly, the decision to allow all schools to charge fees and the devolution of governance powers to SGBs and communities.

Both these policy decisions were arguably introduced into a society that was still socially and economically untransformed and instead of reviewing the earlier policy interventions, government proceeded to lay the FBE and NFS without revising the prior incremental interventions. Again these developments within the two micro policies could once again be regarded as a period of routine policy development, whereby the overarching neoliberal paradigm remained unopposed and new policy interventions largely evolved in an incremental way (Parker and Parenta, 2008). After long periods of cumulative incremental policy change there would be frustrations as the fundamental policy outcomes that are sought still remain elusive (Hayes, 1992). Again, this thesis illuminates that incremental change is not designed to supplant fundamental transformation not least at the level of macro socio-economic structures and the predominant paradigm.

The subsequent policy interventions after GEAR, namely, ASGISA (2005), NGP (2009) and the NDP (2012) have all been conceived within the same monetarist paradigm. None of the latter policy developments constituted a departure from the prevailing monetarist paradigm at macro-economic policy level despite their varying thrusts at different micro policy areas such as skills, infrastructure development, and industrial action plans.

Under ordinary circumstances incrementalism is the rule and everybody simply goes on with their business without paying attention to policies, however there are moments when all actors expect fundamental change and these disturbances do not necessarily influence policy responses (Breunig, *et al.*, 2009, p.705).

It also bears mentioning that none of the aforementioned major policy interventions that came after GEAR produced the desired outcomes in terms of denting poverty, inequality and unemployment. The attempts to introduce major policy interventions such as ASGISA, NGP, and the NDP certainly fit the definition of incremental policy change. These developments occurred under the dominant monetarist paradigm as minor policy adjustments.

The disproportionate information processing model as introduced by Jones and Baumgartner (2005, cited in Breunig, *et al.*, 2009), bore incrementalist features and was an attempt at explaining huge policy change. According to the latter model, enduring policy stability, typifying incrementalism, may arise out of public officials' tendency to either disregard authoritative signs and demands for policy amendments or simply overreact to them under duress (Breunig, *et al.*, *ibid.*). Large scale policy adjustments may however appear at certain intervals especially when demands for policy correction become unbearable for policy makers (Breunig, *et al.*, 2009). The reactions that brought about key policies after GEAR in 1996 could be interpreted in terms of Jones and Baumgartner's model. Thus the introduction of ASGISA, NGP and the NDP could be reflective of a move that aimed at attending to the growing and powerful demands for policy change and these three policies were presented in close succession amidst societal pressures for action towards alleviating poverty and unemployment. The reaction that brought about the latter three policies still failed to address societal demands on improvements on their standards of living.

Lastly, incremental policy change again ensures continuity and stability under the auspices of the prevailing ideological paradigm, namely, monetarism. The ostensible punctuated change in terms of new interventions introduced at macro-economic policy level has not tempered with the paradigm in force as the lynchpins of monetary and fiscal policy remain in place.

It should be anticipated that within the prevailing paradigm there would be recurring incidents of incremental change and punctuated policy interventions from time to time.

8.3 Ending Remarks

This thesis began with a literature review on post-apartheid public policy where it argues that dominant critique in South Africa today continues to argue for radical social and economic change while failing to convincingly demonstrate how change should occur. The literature review further proffers reflections on state autonomy and policy change where it foregrounds leading neo-Marxist and state centred ideas and theories of change from a historical institutionalist perspective.

With the advent of GEAR in 1996, most literature on post-apartheid public policy has focused on the macro-economic policy framework arguing that post-apartheid South Africa embraced neoliberalism and instituted a home-grown structural adjustment programme (SAP), abandoned the Reconstruction and Development Programme (RDP) and thus betrayed the revolution (Habib and Padayachee, 1998; Bond, 2000a; Bond, 2000b; Koeble, 2004; Satgar, 2008; Marais, 2011; Habib, 2013).

The dominant narratives of non-change have been incoherent in their quest for explanations for policy change and continuity in South Africa largely oscillating between accusations of the ANC government succumbing to the weight of the global neoliberal discourse to domestic critique of personalities and leadership styles, elite-pacting, capital and internal politics of the tripartite alliance after 1994. Instead of focusing on the importance of the exercise of relative state autonomy overtime, most critique has chased after events as it labelled post-apartheid policy making as neoliberal segueing into criticising personalities such as President Thabo Mbeki as well as, most recently, deliberating on ephemeral narratives of state capture.

Borrowing from the neo-Marxist arguments on relative autonomy and historical institutionalist state-centred theories on, inter alia, autonomy-enhancing conditions (Nordlinger *et al.*,1988) and limitations to state autonomy, this thesis identified a configuration of three factors that support the emergence of and exercise of an

uncharacteristic form of state autonomy in South Africa after 1994. Through the conception of conjunctural autonomy this thesis has revealed that the post-apartheid state exercised its unusual form of relative autonomy to achieve macro-economic stability and effect successful incremental policy change. Conjunctural state autonomy is largely dependent on the configuration of at least three factors; namely, ideas, context, and a professional bureaucracy. There seems to be an overlap over the three factors. However, this thesis has revealed through the conception of conjunctural state autonomy that the prevailing paradigm appears to be the most rigid and forceful component of the configuration due to its ideational foundations of the neoliberal ideology. The protection of the dominant agenda at ideological level from opposing interests lies at the centre of the prevailing paradigm and for change to occur it must first disrupt this ideological core (Smith, 1989, cited in Jordan and Greenaway, 1998). In the case of South Africa it is quite evident that detractors of the prevailing paradigm are still very far from challenging its dominance let alone deciphering the operational configuration that sustains it.

As Hall (1993, cited in Jordan and Greenaway, 1998, p.671-672) and other theorists have noted, the victory between competing social groupings is ultimately signified by the reproduction of ideas through public policies and programmes and this contest primarily points to the cognitive struggle that is waged and won based on technical knowledge of the policy arena.

Paradigm change is accordingly as much determined by the political struggle as it is by the ideational conflict (Oliver and Pemberton, 2004, p.415). As for the ANC as well as the dominant public policy literature, it has already been established throughout this thesis that for the past two decades no counter-paradigm has emerged (at least not in South Africa) to replace the hegemonic monetarist ideas. Secondly, the historical context of transition was marked by a negotiated settlement where important policy choices and compromises were made.

This thesis has further revealed that strategic policy choices should be understood within the historical context in which they occur and thus cannot be investigated as context-free (Baert and da Silva, 2010).

Ideas are contingent on the context from which they appear, survive, and grow, and should be viewed as endogenous institutions that shape norms, beliefs, and behaviour (Przeworski, 2004 cited in Baert and da Silva, 2010). Thus, ideas, history, as well as formal and informal institutions do matter (Klein and Marmor, 2006; Baert and da Silva, 2010). Linked to the issue of context this thesis has accentuated the role of a professional bureaucracy not only at the National Treasury and the Reserve Bank but also across other state departments such as Education and Energy where officials spearheaded the conception of FBE and NFS policies. Policy makers operate through the context of policy legacies and inherited institutions (Klein and Marmor, 2006, p.903). Ideas that public officials utilise also emerge from a historical context (Klein and Marmor, *ibid.*).

Conjunctural state autonomy has accordingly enabled the post-apartheid state to achieve macro-economic stability through policy continuity and formulation of the GEAR strategy as well as incremental change especially at micro policy level as demonstrated through the cases of FBE and NFS.

Whilst this thesis has demonstrated that incremental forms of policy change were achieved especially at micro policy level, conjunctural state autonomy as exercised in South Africa has however been limited at least two levels, firstly at paradigmatic level and secondly at incremental level due to constraints on what is instrumentally achievable both at macro-economic and micro policy levels. From a historical institutionalist perspective (Hall, 1993), this thesis has revealed that only first and second level orders of change have been possible, no third order change or paradigm shift has been attempted, instead orthodoxy has been reinforced through compliance.

The exercise of conjunctural state autonomy is constrained at paradigmatic level primarily due to the lack of new alternative ideas to displace the dominant monetarist paradigm. These ideational constraints have not been identified within dominant public policy critique.

Secondly, whilst macro-economic stability was achieved, this type of relative state autonomy is limited at incremental and pragmatic level as the type of change that is attainable is path-dependent, new forms of change that come as adjustments are

incrementally built on top of historical policy decisions and compromises that become difficult to dislodge. The sanctioning of schools to charge school fees in 1998 instead of eradicating them, for example was a lost opportunity for fundamental change, thus alternative policy options that could have been explored were permanently excluded (Pierson and Skocpol, 2002). This thesis has subsequently interpreted the policy adjustments as path-dependent incrementalism.

What is notable within this thesis is that across the three case studies, GEAR, FBE and NFS incremental change becomes the only viable option. As revealed in the empirical chapters, attempts to effect change at macro-economic policy level following GEAR in 1996 have all proven to be incremental forms of change that are not designed to dislodge the dominant monetarist paradigm. The subsequent policy interventions have therefore varied from the Accelerated Shared Growth Initiative for South Africa (ASGISA) in 2005, an economic growth strategy, which specifically identified constraints within specific sectors of the economy to the rhetorical New Growth Path (2009) which morphed into an infrastructure development programme as well as the lofty National Development Plan (2012) which offered a new vision for the country without any suggestions of third order change or offering an alternative discourse to the dominant monetarist paradigm.

Accordingly looking at micro policies such as FBE and NFS exposes that the binary of macro and micro is useful in delineating the role of micro policies versus that of the macro-economic policy framework. Since the macro-economic framework is propped up by a framework of ideas such as monetarism, in the absence of an alternative paradigm and despite its limitations incrementalism becomes the only realistic and achievable form of policy change. Notwithstanding path-dependence and constraints, it is through incremental forms of policy change that the state is able to exercise its conjunctural autonomy and make policy adjustments. Micro policies and the generation of incremental adjustments become the only potential source of realistic change as radical change or a revolution without new alternative and coherent ideas usually come at a high price.

Through historical institutionalist arguments, this thesis has gleaned that incrementalism in policy change operates within a broadened conception of institution which is arguably the

foundation of political behaviour, grouping formal and informal institutions, where firstly institutions are simply defined as rules; and secondly, whereby institutions include factors such as culture, norms and routines (Steinmo, 2001; Baert and da Silva, 2010). In other words, incremental forms of policy change become a routine and a norm and therefore are institutionalised or become a rule. Needless to say, there are both weak and strong institutions and conjunctural state autonomy has been buttressed by stronger institutions. As incremental policy change becomes the norm, it competes with calls for radical change as demonstrated through the dominant literature on post-apartheid South Africa and on popular narratives causing a lot of public distress.

Again the lack of fundamental change and the choice of incremental change of the first and second orders instead by policy makers are missing as an explanation in dominant policy narratives. Through the micro policy cases of FBE and NFS this thesis illustrated the path-dependent nature of incremental policy change concurring with historical institutionalist arguments that post-1994 policy adjustments were introduced as problem-solving interventions as they address immediate 'real world' challenges and do not critically interrogate the origins of the unequal order (Cox, 1981; Baert and da Silva, 2010). This thesis has proffered an account that responds to calls for explanations for the exceptional moments of fundamental change; i.e. paradigmatic change, as well as the sock-darning dimensions of public policy, i.e. incrementalism (Klein and Marmor, 2006). Whilst path-dependence may institutionalise certain processes via incremental policy change, these processes might still be susceptible to change and could be disrupted in future (Collier and Collier, 1991, cited in Pierson and Skocpol, 2002). Therefore there are always opportunities of undoing historical policy choices once the timing and configurations are conducive.

Conjunctural state autonomy has therefore enabled the implementation of incrementalism making the policy adjustments a routine and a norm. The confluence of the three factors; ideas, context and a professional bureaucracy have been critical in the emergence and sustenance of conjunctural state autonomy.

As much as all three elements of conjunctural state autonomy are important, this thesis further asserts that there is an overlap in the operation of the three factors.

Furthermore, it is revealed in this thesis that ideas and the historical context seem to have been the strongest forces undergirding conjunctural state autonomy. Looking at the context of transition it becomes important to note how subsequent incremental policy changes after 1994 were historically determined. This historical determination refers to the context: the timing and sequencing of events and factors responsible for shaping ideas and structures that appeared during the transition period- 1990-1994, as well as earlier and enduring developments that were to cumulatively set the scene for the democratic dispensation to take its distinctive trajectory. Contextual factors become important as they ‘determined’ the conditions under which the apartheid regime folded and how the democratic dispensation was founded during the transition period 1990-1994.

As already reflected in the body of the thesis, the last years of the apartheid regime were characterised by a series of talks that subsequently arrived at the negotiated settlement. The long and tough constitutional negotiations, which got under way at the Convention for a Democratic South Africa (CODESA) in early 1992, were a remarkable feature of South African history (Jackson, 1998, p.5). The promulgation of the Interim Constitution of the Republic of South Africa (Act No. 200 of 1993) (RSA, 1994) was the highpoint of the transition period as it ensured the safeguarding of a number of agreements that had been reached up to that point. In the case of the Free Basic Electricity policy, the scene had been set as far back as 1987 when Eskom introduced the ‘Electricity for All’, electrification programme that saw the expansion of grid-connection to black communities (Greenberg, 2009). Similar critical developments such as the education reforms introduced between 1990 and 1993, the ‘Clase Announcements’, saw the devolution of governance powers to schools and communities that were to be later institutionalised through the South African Schools Act in 1996 (Carrim and Soudien, 1999). These early compromises and developments as reached during the transition period were critical in charting policy paths.

It has already been established within this thesis that one of the important factors supporting conjunctural state autonomy is the prevailing framework of ideas. This thesis has emphasized the forcefulness of ideas. Ideas are the motor for change (Jordan and Greenaway, 1998; Medrano, 2012; Hall, 2013). Thus, third order change in particular occurs as a consequence of ideas.

The downfall of the Soviet Union as an ideological anchor and alternative to the west for the liberation movement, the ANC, was quite pivotal. This particular point of the 'Forcefulness of Ideas', further intersects with the importance of the historical context as well as the theme of 'adherence to the prevailing paradigm', as discussed in the empirical chapters, monetarism as the dominant paradigm during South Africa's transition soon found itself without a contending counter-paradigm as all supposed or potential alternative ideas proved to be fragmented and without cohesion.

As already presented in the empirical chapter on the formulation of GEAR, the ANC had as early as 1985 started preparing itself for a social democratic alternative to communist dogma when it produced the document 'Policy Guidelines for a Democratic South Africa (PGDSA)' (Former Governor of the Reserve Bank, September 2014). Moreover, in 1991, when Nelson Mandela met with the leaders of China and Vietnam in Davos, he was advised against continuing to pursue nationalisation, one of the tenets of the Freedom Charter (Former Governor of the Reserve Bank, September 2014).

Based on an ideational perspective, the stage was already prepared for monetarism to flourish as the hegemonic macro-economic ideology for the heralding new republic. Other economic platforms such as the alleged neo-Keynesian Macro-Economic Research Group (MERG) (Marais, 2011; Habib, 2013) floundered as they did not receive endorsement from the leadership of the ANC and were subsequently discarded.

In closing, this thesis contends that the major weakness of the dominant public policy literature in South Africa today has been the failure to theorise in a historical institutionalist manner to identify and accentuate the importance and centrality of ideas to policy change, the critical part of public officials in the exercise of state autonomy, and the appreciation of formal and informal institutions in shaping historical processes. Additionally, in most accounts there has been no effort to highlight the importance of the distinctiveness and supremacy of macro-economic policy when contrasted with micro policies as demonstrated in this thesis.

The economic determinism that reinforces most critique in the literature has however resulted in fixation with the macro-economic policy framework while there is a neglect in understanding and attempting to identify alternative forms of policy change that are feasible at micro policy level.

In an integrated global economy of which South Africa forms part, it becomes unrealistic to assume that a developing country can simply disconnect itself from the dominant ideas and institutions that shape relations between countries and single-handedly pursue discredited economic paradigms. This thesis has been an attempt to explain the exercise of state autonomy to effect policy change whilst considering all contextual factors such as ideas, history and state bureaucracy. Convincing arguments are unlikely to come from the isolation of a single factor to explain policy change; the conception of conjunctural state autonomy is an illustration of how to combine variables when attempting to explain policy change, continuity and stability as historical processes.

Moreover, the typology of macro and micro policies has proven to be a very productive heuristic device in demonstrating how the relationship between the two levels of policy operates to reinforce one another. Macro-economic stability and incremental policy change are certainly mutually beneficial according to this thesis. Conjunctural state autonomy demonstrates a meticulous exercise of state action and a balancing act whereby the two levels policy are managed.

Whilst dominant public policy critique in South Africa today continues to chase after personalities and events that are fuelled by media alertness, this thesis has paid attention to configurations and policy legacies. Thus, whereas there might be stressors to the policy system or the current order, the monetarist paradigm remains unchallenged. Consequently the ANC government has introduced a series of reconfigurations of state departments and expanded cabinet amidst rhetoric of radical social and economic transformation without any tangible outcomes. Again it becomes clear that conjunctural state autonomy is time and context specific and at some point reaches its limits as the execution of state action becomes unable to achieve the desired effects.

This again reveals that political behaviour and incrementalist state action on policy change have been operating within interstitial spaces that exist between larger structures and institutions such as the prevailing monetarist paradigm and the historical context.

It is also within the same interstitial spaces that the dominant critique continues to focus as it chases political events as they occur whilst ignoring the larger historical structures that continue to shape and determine political behaviour. Whilst certain political events may become routinized even to the point of being institutionalised, they still comprise weaker institutions compared to the configuration that undergirds and sustains conjunctural state autonomy in South Africa today. And what makes this configuration particularly forceful is again the fact that it comprises a far superior and determining element which is the ideational prevailing monetarist paradigm which will take long to dislodge.

Appendix 1: Interview Request Letter sample

Department of Basic Education

Pretoria

0001

South Africa

04 June 2014

Dear Sir

Re: REQUEST FOR AN INTERVIEW FOR A DOCTORAL RESEARCH PROJECT (2014).

My name is Mabutho Shangase, a doctoral student and a NRF-Free Standing Doctoral Scholarship holder based at the Centre of African Studies, University of Edinburgh, United Kingdom. Previously I had served my country in the public service for more than ten years in Department of Health, The National Youth Commission as well as at the Independent Development Trust. My area of study is public policy in South Africa with my research project titled, *“Investigating Public Policy Formulation in Post-Apartheid South Africa: A Comparative Case Study of the Macro Economic Policy Framework and Sectoral Policies (Electricity and Education), 1994-2014”*.

I am currently conducting field research in South Africa and therefore I am collecting data in the form of interviews and archival material. Firstly, I would appreciate it if you could spare me your time by providing an interview on the genealogy of the No Fee School (NFS) Policy in South Africa. Additionally, I am seeking guidance on how I could utilise archival material such as minutes and meeting reports on the NFS policy process. I am interested in information pertaining to proceedings on the decision-making process as well as participants such as portfolio committee members, departmental officials and other key people in the process.

Your assistance will assist a great deal to improve the quality of the study as well as contribute to the advancement of knowledge on public policy in South Africa. I appreciate your time and consideration.

Please feel free to contact me on **072 874 5951**, also via e-mail: **mabutho_shangase@yahoo.co.uk** should you require any further information on this study or about me.


Looking forward to your positive response.

Sincere regards

A handwritten signature in blue ink, appearing to read 'Mabutho Shangase', with a stylized, flowing script.

Mabutho Shangase

Appendix 2: Research Questionnaire

 THE UNIVERSITY of EDINBURGH
PhD Candidate: Mabutho Shangase Interview Questionnaire for Doctoral Research School of Social and Political Science University of Edinburgh
Research Title: “Investigating Public Policy Formulation in South Africa: The Case Study of the Socio-Economic Policy Framework; 1994-2014.”
Date:
Informant: (Optional)
Venue:
Probing Questions.
1) What is your back ground in relation to policy formulation in South Africa?
2) How did the policy process begin?
3) How were you involved in the formulation of the policy?
4) How were you selected to participate in the policy process?
5) What was the purpose of your involvement?
6) What was the background and historical context within which the policy was set?
7) What was your specific brief/mandate when you got involved in the process?
8) What were your goals when you started with the process? Did you achieve your goals?
9) Did you involve any specialists in the policy formulation process?
10) What was the scope that you were supposed to cover?
11) What kind of resources did you require to participate effectively in the process?
12) What time frame were you given to complete the process?
13) What additional work/input was expected of you?
14) Were you able to evaluate the effectiveness of your involvement?
15) What was the ideological basis of the policy?
16) Are there any specific documents that informed the policy?
17) Was there a bigger vision that the policy was supposed to feed into?
18) Are there any other existing policy and legislative documents that this policy is related to?
19) What actors, organisations, political parties were consulted in the formulation of the policy?
20) How were the actors selected?
21) Was the public involved or consulted in the formulation of the policy?
22) Are there records of the proceedings of the sessions?
23) Are there records of the participants?
24) Where can one access the records?
25) What other information would you like to share regarding the policy process?

Appendix 3: Anonymised List of Interviewees

Note: This selected list of informants does not include street level bureaucrats such as school principals and Heads of Department as interviewed in the Tshwane education district.

Informant	Date	Location
Former Presidency Economist (First economist)	10 Mar 2014	Lynwood, Pretoria
CEO, Centre for Education Policy Development	06 Jun 2014	Milpark, Johannesburg
Education Specialist, Department of Basic Education	09 Jun 2014	Pretoria Central
Education Economist, University of Stellenbosch	27 Jun 2014	Pretoria Central
Academic Research/ANC activist	29 June 2014	Morningside, Johannesburg
Budget Analyst, National Treasury	08 July 2014	Pretoria Central
Director Department of Energy	09 July 2014	Pretoria Central
Former Minister in the Presidency	14 July 2014	Craighall, Johannesburg
Director Department of Energy (Second meeting)	16 July 2014	Pretoria Central
President, School Governing Bodies Association/ member South African Democratic Teachers Union (SADTU)	21 July 2014	Johannesburg Central
Former Manager, Eskom/ Task Team Member	22 July 2014	Sandton, Johannesburg
Former Deputy Director General, Policy Advisory and Coordination Service, Presidency	23 July 2014	Pretoria Central
Deputy Director General, Presidency	29 July 2014	Midrand, Johannesburg

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Electricity Manager, City of Johannesburg	30 July 2014	Braamfontein, Johannesburg
Academic Researcher, University of Johannesburg	06 Aug 2014	Auckland Park, Johannesburg
Advisor to the Governor of the South African Reserve Bank (First advisor)	07 Aug 2014	Pretoria Central
Former Trade Unionist, COSATU	11 Aug 2014	Sandton, Johannesburg
Chief Director, Presidency	12 Aug 2014	Arcadia, Pretoria
Chief Education Specialist	13 Aug 2014	Johannesburg Central
Senior Manager, Eskom	18 Aug 2014	Midrand, Johannesburg
Advisor to the Governor of the South African Reserve Bank (Second Advisor)	19 Aug 2014	Pretoria Central
Deputy Director General, National Treasury	20 Aug 2014	Pretoria Central
Senior Manager Planning, City of Johannesburg	27 Aug 2014	Braamfontein, Johannesburg
Former Director General, National Treasury	01 Sept 2014	Johannesburg Central
Executive Manager, City of Tshwane	04 Sept 2014	Bronkhorstspuit, Pretoria
Former Economist, Presidency	09 Sept 2014	Arcadia, Pretoria
Former Director General, Department of Trade and Industry	11 Sept 2014	Morningside, Johannesburg
Former Minister of Finance	11 Sept 2014	Killarney, Johannesburg
Deputy Director General, Department of Basic	12 Sept 2014	Pretoria Central

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Education		
Former Governor of the South African Reserve Bank	16 Sept 2014	Sandton, Johannesburg
Deputy Governor, South African Reserve Bank	19 Sept 2014	Pretoria Central
Former Member of the Executive Committee, Gauteng Department of Education	20 Sept 2014	Parktown North, Johannesburg
Former President of the Republic of South Africa	26 Sept 2014	Rivonia, Sandton, Johannesburg

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